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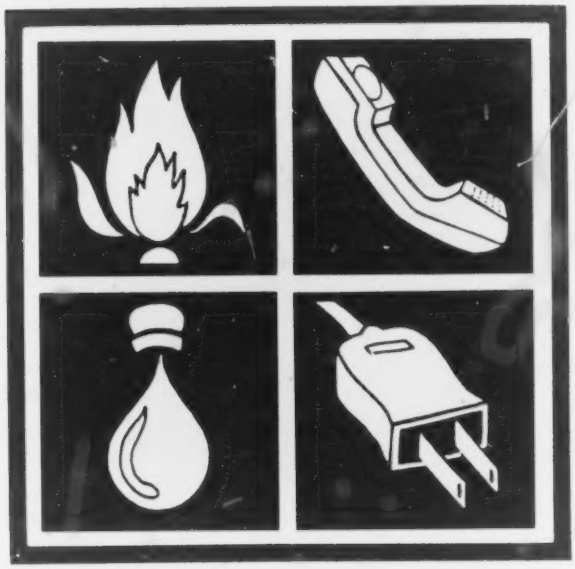

ANNUAL REPORT

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA PUBLIC SERVICE COMMISSION

Information Directory

As a government agency whose operations directly affect the public, the Florida Public Service Commission welcomes your requests for information on matters in which you have a concern. Inquiries may be made by letter to the address below, or by telephone.

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Division of Administration	488-4733
Division of Auditing & Financial Analysis	488-8147
Division of Communications	488-1280
Division of Consumer Affairs	488-7238
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Division of Electric & Gas	488-8501
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Division of Records & Reporting	488-8371
Division of Research	487-1325
Division of Water & Sewer	488-8482

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Table of Contents

Index to Charts 4

The Commissioners 5

Maintaining the Balance 10

How Rates Are Set 11

Executive Director 12

Deputy Executive Director/Technical

Division of Auditing and Financial Analysis 13

Division of Communications 17

Division of Electric & Gas 30

Division of Research 60

Division of Water and Sewer 62

Deputy Executive Director/Administration

Division of Administration 65

Division of Consumer Affairs 69

Division of Information Processing 81

Division of Records and Reporting 83

General Counsel 85

Division of Appeals 86

Division of Legal Services 91

Index to Charts/Tables

General

PSC Committee Members -- NARUC	7
PSC Commissioners -- 1887-1991	8
PSC Organizational Chart	9

Telephone Utilities

Operating Statistics -- Regulated LECs	28
Telephone Utilities -- Summary	29

Electric Utilities

Operating Statistics -- Regulated Electrics	41
Utility Purchased Fuel Costs	42
Residential Fuel Rate Changes	43
Residential Service -- Investor-Owned	44
Residential Service -- Municipals	45
Residential Service -- Cooperatives	46
Commercial/Industrial -- Investor-Owned	47
Commercial/Industrial -- Municipals	48
Commercial/Industrial -- Cooperatives	49
Miscellaneous Charges -- Investor-Owned	50
Growth and Use Statistics -- Investor-Owned	51
Growth and Use Statistics -- Municipals and Cooperatives	52
Utility Reported Injuries and Fatalities -- 1985-1991	53

Gas Utilities

Operating Statistics -- Gas	54
Residential Service	55
Commercial Service	56
Industrial Service	57
Miscellaneous Charges	58
Growth and Use Statistics	59

Administrative

Regulatory Trust Fund Appropriations and Revenues	66
Administration -- Fiscal, General Support and Personnel	68

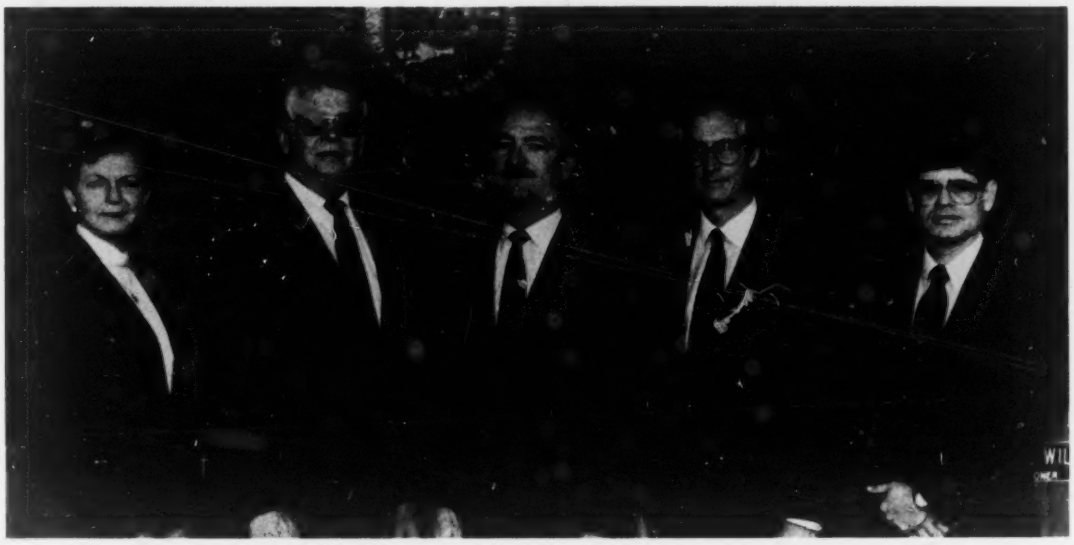
PSC Complaint Activity

Electric Industry	72
Gas Industry	73
Telephone Industry	75
Pay Telephone Companies	77
Long Distance Industry	78
Water and Sewer Industry	79

Case Load

Case Activity Statistics -- 1990	84

FLORIDA PUBLIC SERVICE COMMISSION



The Florida Public Service Commissioners are, left to right, Betty Easley, Gerald Gunter, Tom Beard, Michael Wilson and J. Terry Deason.

TOM BEARD

Commissioner Beard was appointed by Governor Martinez in 1987 to serve the remainder of a term. He was reappointed to a four-year term beginning in January 1990, and is currently serving a two-year term as PSC Chairman. Before his appointment, Chairman Beard was the personnel manager for Clay Electric Cooperative. Beard holds a master's degree in education from the University of Florida.

BETTY EASLEY

Commissioner Easley was appointed by Governor Bob Martinez and took office in January 1989. Prior to her appointment, she served as Director of Intergovernmental Affairs in the Office of the Governor until she became Assistant Secretary of State. She also served in the Florida House of Representatives from 1972 until 1986. Easley has a bachelor's degree in public administration from Eckerd College.

GERALD L. GUNTER

Commissioner Gunter was appointed by Governor Reubin Askew and took office in January 1979. He was reappointed twice by Governor Graham to four-year terms, and most recently was reappointed to his fourth consecutive term in February 1991. Prior to his appointment, Gunter was with the Bendix Corporation at Kennedy Space Center, and also served as Vice Mayor and Councilman of Titusville. Commissioner Gunter holds a master's degree in management from Florida State University.

MICHAEL WILSON

Commissioner Wilson has served on the Florida Public Service Commission since 1985, when he was appointed to complete an unexpired term. He was reappointed in 1986 to a full four-year term, and again reappointed by Governor Bob Martinez beginning in January 1990. Wilson earned his law degree from Florida State University, and formerly was Deputy Public Counsel with the Office of the Public Counsel. He served as Chairman of the commission from 1989-91.

J. TERRY DEASON

Commissioner Deason was appointed and took office February 1991. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel, where he was responsible for the coordination of accounting and financial analysis used in cases before the PSC. From 1981 to 1987, Deason served as Executive Assistant to PSC Commissioner Jerry Gunter. He also previously served as Legislative Analyst for the Public Counsel's office. He holds a BS and a Master's of Accounting degree, both from Florida State University.

1990 NARUC Committees

Administration	Betty Easley
Ad Hoc Committee on the Financial Future of the Association	Gerald L. Gunter
Association Finance and Organization	Gerald L. Gunter
Communications	Thomas M. Beard
Task Force on Federal-State Joint Conferences	
80-286 Joint Board on Separations and Cost Allocations	Thomas M. Beard
Electricity	Michael Wilson
Finance and Technology	Gerald L. Gunter
Executive Committee	Gerald L. Gunter
National Regulatory Research Institute	Gerald L. Gunter
Nuclear Issues-Nuclear Waste Disposal	Michael Wilson
Water	Betty Easley

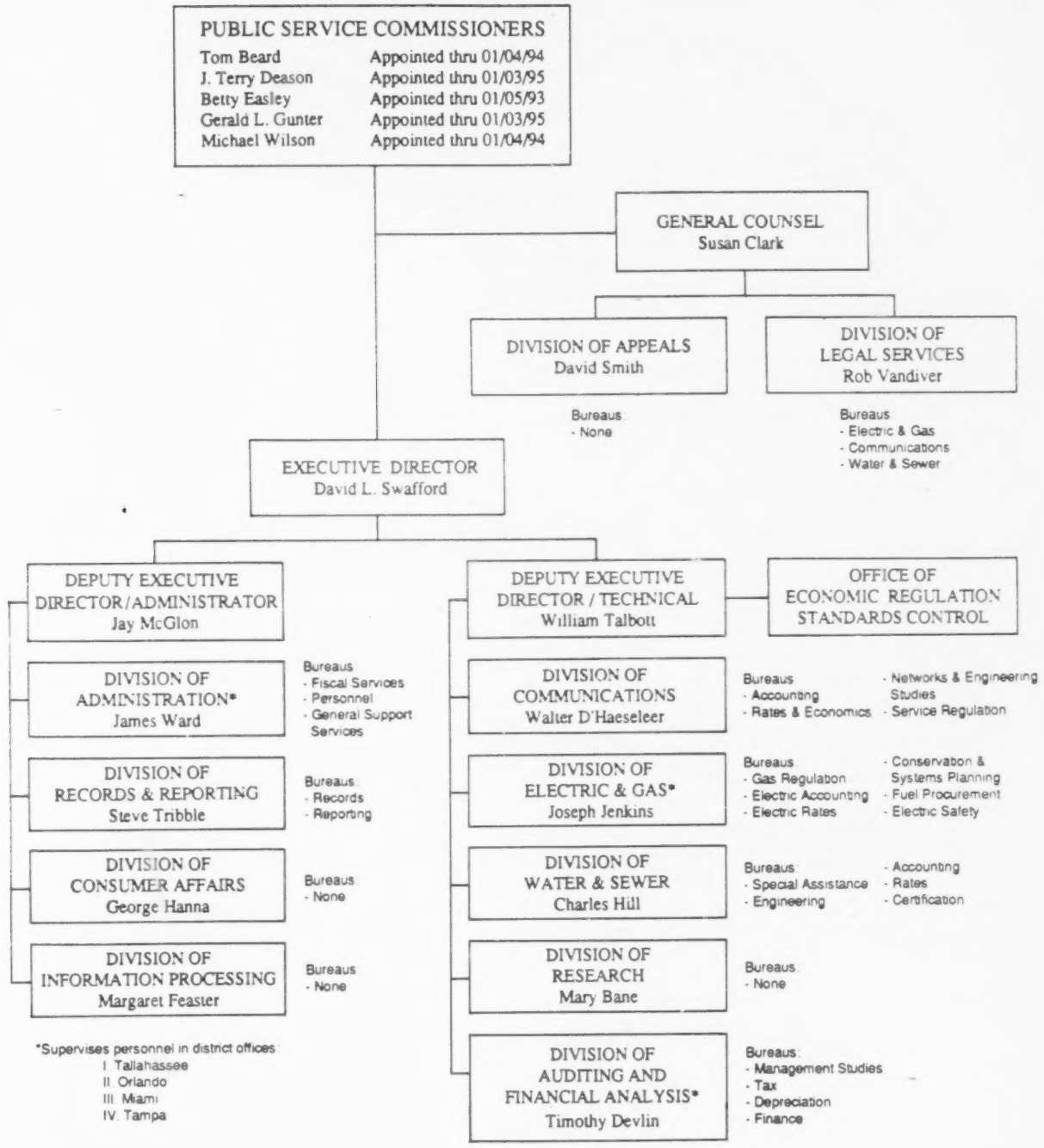
STAFF SUBCOMMITTEES

Executive Directors	David L. Swafford
Accounts	Timothy J. Devlin
Communications	Thomas McCabe
Computer	Margaret Perry Feaster
Consumer Affairs	George B. Hanna
Cost Allocations	Rick Wright
Economics and Finance	Mary Bane; Deborah Flannagan
Education	Jay McGlon
Electricity	Joe D. Jenkins
Energy Conservation	James W. Dean
Engineering	Walter D'Haeseleer
Federal-State Joint Board	Timothy J. Devlin
Technology	Bob Trapp; Stan Greer; Marshall Willis
Gas	Joseph W. McCormick
Law	Susan Clark
Management Analysis	Lisa Harvey
Nuclear Waste Disposal	Jennifer Harvey
Pipeline Safety	C. Edward Mills
Public Information	Bev DeMello
Task Force on High School Program	George B. Hanna
Telephone Service Quality	Alan Taylor
Water	Charles Hill
Cost-Of-Service Task Force	Joseph D. Jenkins; Marge Meeter

Public Service Commissioners (1887 - 1991)

Commissioners	Years Served	Replaced By
George G. McWhorter	08-17-87 to 06-13-91	
E. J. Vann	08-17-87 to 06-13-91	
William Himes	08-17-87 to 06-13-91	
The Commission was abolished by Legislature 1891, recreated 1897		
R. H. M. Davidson	07-01-97 to 01-03-99	John L. Morgan
John M. Bryan	07-01-97 to 01-06-03	Jefferson B. Brown
Henry E. Day	07-01-97 to 10-01-02	R. Hudson Burr
John L. Morgan	01-03-99 to 01-08-07	Royal C. Dunn
R. Hudson Burr	10-01-02 to 01-04-27	R. L. Eaton
Jefferson B. Brown	01-06-03 to 01-08-07	Newton A. Blitch
Newton A. Blitch	01-08-07 to 10-30-21	A. D. Campbell
Royal C. Dunn	01-04-09 to 01-04-21	A. S. Wells
A. S. Wells	01-04-21 to 12-16-30	L. D. Reagin
A. D. Campbell	11-12-22 to 02-10-24	E. S. Mathews
E. S. Mathews	02-25-24 to 01-16-46	Wilbur C. King
R. L. Eaton	01-04-27 to 02-27-27	Mrs. R. L. Eaton-Greene
Mrs. R. L. Eaton-Greene	02-27-27 to 01-08-35	Jerry W. Carter
L. D. Reagin	12-16-30 to 07-06-31	Tucker Savage
Tucker Savage	07-06-31 to 01-03-33	W. B. Douglass
W. B. Douglass	01-03-33 to 08-04-47	Richard A. Mack
Jerry W. Carter	01-08-35 to 01-05-71	William H. Bevis
Wilber C. King	01-08-47 to 07-18-64	William T. Mayo
Richard A. Mack	09-15-47 to 01-05-55	Alan S. Boyd
Alan S. Boyd	01-05-55 to 11-01-59	Edwin L. Mason
Edwin L. Mason	12-01-59 to 01-06-69	Jess Yarborough
William T. Mayo	09-01-64 to 12-31-80	Katie Nichols
Jess Yarborough	01-06-69 to 01-02-73	Paula F. Hawkins
William H. Bevis	01-05-71 to 03-21-78	Robert T. Mann
Paula F. Hawkins	01-02-73 to 03-21-79	John R. Marks, III
Robert T. Mann	03-22-78 to 01-03-81	Susan Leisner
The Commission became appointive January 1, 1979		
Joseph P. Cresse	01-02-79 to 12-31-85	John T. Herndon
Gerald L. Gunter	01-02-79 to 01-03-95	
John R. Marks, III	03-22-79 to 03-02-87	Thomas M. Beard
Katie Nichols	01-02-81 to 01-03-89	Betty Easley
Susan Leisner	02-16-81 to 04-02-85	Michael Wilson
Michael Wilson	07-12-85 to 01-04-94	
John T. Herndon	01-07-86 to 04-17-90	Frank S. Messersmith
Thomas M. Beard	03-03-87 to 01-04-94	
Betty Easley	01-03-89 to 01-05-93	
Frank S. Messersmith	06-19-90 to 02-05-91	J. Terry Deason
J. Terry Deason	02-06-91 to 01-03-95	

Public Service Commission
Organizational Chart



MAINTAINING THE BALANCE

The work of the Florida Public Service Commission is a balancing act. Under Florida law, the commission regulates every investor-owned utility in the state, assuring adequate service and setting just, reasonable, and sufficient rates.

The Florida Public Service Commission consists of five members selected for their knowledge and experience in one or more fields substantially related to the duties and functions of the commission. These fields include economics, accounting, engineering, finance, natural resource conservation, energy, public affairs or law.

The governor appoints a commissioner from the nominees selected by the Public Service Commission Nominating Council. Commissioners also must be confirmed by the Florida Senate, and they serve a four-year term.

The PSC was created by the Legislature in 1887 and was then called the Florida Railroad Commission. The primary purpose of the board was the regulation of railroad passenger and freight rates and operations.

As Florida progressed, it was necessary for the commission to expand. In 1911 the Legislature conferred on the commission the responsibility of regulating telephone and telegraph companies. In 1951, jurisdiction was extended to regulate electric utility rates and service, and in 1953, PSC jurisdiction was extended to the regulation of gas utilities, too. In 1959, the Commission began regulating water and sewer systems.

In the past, three commissioners were elected in a statewide election. The 1978 Legislature adopted a bill changing the commission to a five-member appointed board.

The commission has quasi-legislative and quasi-judicial, as well as executive powers and duties. In its quasi-legislative capacity, the PSC sets rates and makes rules governing utility operations. In a quasi-judicial manner, the commission hears and decides complaints, issues written orders similar to court orders, and may have its decisions appealed only to the Florida Supreme Court. As an executive agency, the commission enforces state laws affecting the utility industries.

The commission oversees the intrastate operations of investor-owned utilities -- electric, gas, water, and telecommunications. During 1989, the commission regulated 13 local exchange companies, more than 130 long-distance (inter-exchange) telephone companies, and more than 590 pay telephone providers. Additionally, the PSC regulated five investor-owned electric companies, 10 investor-owned gas utilities and more than 800 water and wastewater systems.

The PSC does not regulate publicly-owned, municipal, or cooperative utilities. However, it has rate structure jurisdiction over 33 cities, 18 rural electric cooperatives, and 27 municipally-owned gas utilities.

The PSC has 379 authorized positions and an annual budget of about $19.5 million. ◆

HOW RATES ARE SET

The Public Service Commission has the responsibility to set rates which are fair and reasonable. It is also required to set rates to allow utility investors an opportunity to earn a reasonable return on their investment. Whenever a gas, electric, telephone, or water company wants to change its rates, it must come before the PSC for permission. The PSC then investigates its request and sets new rate levels if the request is valid. The investigation is extensive, with many PSC staff members helping the commission assess the company's request.

PUBLIC INPUT

The PSC always starts its investigation by holding a hearing within the utility's service area, so the commissioners can hear from the public. Customers may comment or ask questions on the proposed rates or make any other statements relating to the utility's operations. The Public Counsel, who represents customers, is also present at these hearings.

TECHNICAL HEARINGS

Later, hearings similar to courtroom proceedings are held in Tallahassee, in which evidence is presented by expert witnesses in support of each viewpoint represented. Witnesses are cross-examined by the company, intervenors, staff, and the Public Counsel's office. This information is important to the commission when it evaluates company requests.

COMMISSION DECISIONS

After all evidence is presented, the five-member commission reviews the record that has been developed and issues a decision. The policy decision it makes will determine the level of rates the company will be permitted to collect.

The utility is required to justify all of its expenses for the operations of the utility. An expense which the commission determines is improper or unnecessary is disallowed and is excluded from the amount the utility is allowed to collect from customers.

The commission also looks at the amount utility stockholders have invested in plants and other facilities and allows a reasonable return on the investment necessary to provide good service.

Rates are calculated to produce the amount needed for the approved expenses plus the authorized return. Since expenses which the Commission considered imprudent or unnecessary are not included in the revenue requirement, the utility has the opportunity to achieve the authorized return only if management eliminates the unnecessary expenses and operates efficiently. There is no guarantee that the authorized return will be achieved.

Once the final order is issued, the commission's decision can be appealed to the state's appellate court system. ◆

Executive Director

David Swafford

The Executive Director is, essentially, the chief of staff of the commission with general responsibility over the technical and administrative operations of the commission. He coordinates the activities of the divisions, is responsible for the implementation of commission policies, and makes recommendations for the development and articulation of policy questions. The Executive Director also coordinates and acts as an interagency and legislative liaison, and consults with and advises the commission on economic and governmental matters.

The office includes two Deputy Executive Directors. This division of executive duties helps to facilitate the flow and efficiency of the commission's workload, as well as providing the proper direction and leadership for the staff.

Deputy Executive Directors

William Talbott

William Talbott is Deputy Executive Director over the technical divisions, including Communications, Electric and Gas, Water and Sewer, Auditing and Financial Analysis, and Research.

Jay McGlon

Jay McGlon is Deputy Executive Director over the Administration, Consumer Affairs, Records and Reporting, and Information Processing divisions.

Division of Auditing & Financial Analysis

TIM DEVLIN, DIRECTOR

The Division of Auditing and Financial Analysis serves as the principal advisor to the commission on matters pertaining to taxes, capital recovery and finance; performs audits and issues reports on regulated utilities. Of the 67 staff members in the division, 17 possess CPA certificates' 3 possess CIA certificates, 9 have master's degrees, and 60 have bachelor's degrees.

AUDIT SECTION

The field audit staff completed 153 financial and nine engineering audits during calendar year 1990. Financial audits included main frame computer-assisted audit techniques to examine utility mechanized detail records and the statistical evaluation of the Southern Bell coinless telephone operations. The 1990 legislative session created a need for expanded audit effort. This, coupled with the budget crunch, caused the initiation of an in-depth review of audit timing, priority setting, and organization so that we may remain effective with limited resources. We look forward to a leaner, more effective and efficient audit force fully capable of providing the industry divisions need for audit services.

EDP SECTION

The EDP Audit and Staff Economist Support Group successfully met the many anticipated and unexpected challenges which developed in 1990. User awareness and demand for EDP, accounting, statistical, and economic information support services continued to grow.

Eight major rate cases were successfully completed in cooperation with Industry Analysts and the Field Auditors. This represents a 33 percent increase in participation over 1989. In addition, three conservation audits and one surveillance audit were completed and assistance provided on two special projects.

The EDP group performed the necessary functions to substantiate the integrity of over 30 million records before producing the accounting, sampling, and statistical data required for the audits.

Existing prior year EDP Audit Analyzer programs were updated and expanded. New programs were developed for those companies never before evaluated using Audit Analyzer. These programs are individually custom made to suit the unique accounting/EDP environments found in each company's system. Once the programs are developed, they can be recalled in the future to provide information in a shorter period of time.

BUREAU OF TAX

The Tax Bureau continued work concerning problems with the taxation of contributions in aide of construction (CIAC) and testified during the hearings on the subject. Reports from utilities collecting the tax effect of CIAC were reviewed. Requests from utilities desiring to continue collecting the tax effect of CIAC were processed.

Staff members participated in various activities including approximately 17 rate cases, 13 earnings review cases, three rule dockets, seven major tax savings refund cases, four investigations, decommissioning studies of both nuclear and fossil fuel plants and private letter ruling requests

to the Internal Revenue Service concerning allowance for funds used during construction and oil back out. Staff members testified in several cases in 1990. Staff of the Tax Bureau responded to the IRS' issuance of proposed regulations dealing with normalization and the filing of consolidated federal income tax returns.

The Tax Bureau coordinated, administered and reviewed the tax savings reports filed by utilities regulated by the FPSC. Tax Bureau staff also administered and coordinated the show cause investigation for utilities who failed to file their tax savings reports.

The Tax Bureau published, in-house, the proceedings for the 1989 Monthly Accounting Meetings. For most of 1990, the Tax Bureau coordinated the Monthly Accounting Meetings, covering such topics as building a record, confidentiality, rulemaking, dealing with the media, acquisition adjustments, completion of an audit services request, the operations and maintenance benchmark, utility related pronouncements of the Financial Accounting Standards Board, miscellaneous taxes and the revised statutes regarding utility regulation.

BUREAU OF DEPRECIATION

Depreciation studies were completed for the TECO Energy Management Control, the FP&L production plants of Fort Myers, Palatka, Port Canaveral, Port Everglades, Manatee, Riviera, and Sanford. For FPC, the first represcription under modern depreciation concepts was completed in 1990 (their last authorized rates were ordered in 1981). Under review for implementation in 1991 are studies for FPU (Fernandina Beach), and FP&L's Fort Lauderdale, Martin, Putnam, SJRPP and Turkey Point plants.

The bureau participated in revenue reviews for FPC, FP&L, and Gulf Power. Continued investigation of potential costs of dismantlement of fossil-fueled plants and of the appropriate accounting and ratemaking treatment of those costs has resulted in a current docket on the subject as well as the development of site-specific dismantlement studies. Work has continued on rulemaking for categorization of electric plant for depreciation studies and on review of retirement unit rules. The bureau was involved in a scrap salvage audit and the question of underground electric distribution plant.

Review was begun of two depreciation studies from gas companies: FPU and West Florida Natural.

The Bureau participated in revenue reviews for City, FPU, Gainesville, Indiantown, Peoples, St. Joe, South Florida Natural, Southern, Plant City, and Central Florida. Research continued in connection with the treatment of inactive service lines and costs of removal of service lines. Rulemaking regarding the accounting retirement and the physical retirement of inactive service lines was initiated during 1990.

There were 10 depreciation studies on hand in 1990 from the telephone companies. Of these, reviews were completed for ALLTEL, Southern Bell, Florala, Gulf, Indiantown, St. Joe, Southland, and VISTA. The Southern Bell study was the only one of these which required a hearing. For Central Telephone, after submitting four troubled studies which could not be resolved, the company and the Office of Public Counsel have reached a stipulation which will close out the current depreciation study docket and will provide for a new study in 1991. A study from General Telephone is under

review for implementation of new depreciation rates in 1991.

The bureau participated in revenue cases involving Southern Bell, Central and United. Research continues on the impact of technological changes on the communications industry.

In the water and sewer industries, the bureau continued to act in an on-call advisory capacity.

BUREAU OF FINANCE

The Bureau of Finance provided capital structure/cost of capital support in numerous rate cases and earnings reviews in 1990, including four telephone, two electric, and four gas cases. In addition, the Bureau of Finance testified in several of these cases.

The bureau began research on the issue of the regulatory treatment of Other Postretirement Benefits. The diversification activities of the electric, gas, and telephone companies continue to be monitored through quarterly reports submitted to the commission. The bureau, in conjunction with the Division of Research, presented a seminar designed to acquaint legal staff with the basics of public utility theory and practice.

On an ongoing basis, the bureau processed the security applications of all natural gas and investor-owned electric utilities, maintained a continuous dialogue with various state and federal regulatory bodies and credit rating agencies, and conducted research related to the current financial models employed by cost of capital witnesses.

BUREAU OF MANAGEMENT STUDIES

During 1990, the bureau completed or initiated six management reviews involving eight different utilities (two telephone, two gas, and four electric companies). Although one of these reviews is currently in the report-writing phase, the other five resulted in the production and/or processing of 207 recommendations. The nature of these reviews ranged from a narrow focus of investment recovery (at four electric utilities) and the specific workings of FPL's QIP program, to a broad, comprehensive, look at the operations of Southern Bell-Florida.

Of the five reviews completed during this year, some of the more significant issues raised were: 1) disposal practices for treated wood poles; 2) cash handling procedures; 3) competitive bidding practices; 4) security; 5) lack of knowledge concerning customer satisfaction and employee attitudes; 6) the validity of estimated benefits associated with certain utility programs; and 7) a generalized lack of formal management planning.

The bureau continues to enjoy a high degree of company agreement with the recommendations it has made—83% for 1990.

This year saw the 10 utilities in the bureau's Implementation Program integrate 103 of its recommendations into their routine methods of operation, while continuing to strive for integration of yet another 247 recommendations. The bureau's records show the accumulated net savings at December 1990 to be $50,673,465 for the nine companies (13 reviews) still active in the Implementation Program.

In addition to its primary responsibility of reviewing the management practices of jurisdictional utilities, the Bureau has continued to take an active leadership role in NARUC activities associated with management analysis. Our representative to

the Staff Subcommittee For Management Analysis was elected Vice-Chairperson; we furnished an instructor for the Subcommittee's third annual Basic Training Seminar For Management Analysts; at the Subcommittee's request, we spoke to them about the success of our Implementation Program; and we authored and presented an original paper to the 7th NARUC Biennial Regulatory Information Conference (BRIC). ◆

Division of Communications

WALTER D'HAESELEER, DIRECTOR

The Division of Communications is responsible for providing information and making recommendations to the Commissioners on matters concerning telecommunications. In addition, the division provides telecommunications information and assistance to members of the general public as well as other governmental bodies and the press. Telecommunications companies currently (as of December 1990) regulated by the Florida Public Service Commission (FPSC) include 13 local exchange telephone companies, 103 long distance interexchange telephone companies, 591 competitive pay telephone service providers, 20 key shared tenant services, and 25 shared tenant services.

RATE CASES AND OVEREARNINGS REVIEWS

During 1990, United Telephone and Centel filed for rate increases, requesting $25.2 and $14.7 million, respectively. Hearings were held during October for each of these rate cases. As of December 31, 1990, the commission's final decisions were still pending.

The division also conducted several earnings reviews which resulted in refunds, rate reductions and reduced authorized returns on equity. Rate reductions or refunds were approved for Alltel, Gulf, Northeast, Quincy, and Southern Bell. The authorized returns on equity were lowered for Alltel and Southland.

The commission approved the elimination of Alltel's zone charges of $1,087,000 annually.

Gulf Telephone was ordered to refund $137,672 related to 1989 overearnings.

Northeast eliminated its zone charges of $76,412 annually.

Quincy was ordered to refund $315,606 for 1989 overearnings and to reduce its rates by $88,581 annually.

Southern Bell refunded $15,046,000 as a final refund for 1987 overearnings.

The commission also voted to reduce Southern Bell's 1991 and 1992 earnings by $18,421,000 and $40,289,000, respectively.

ATT-C TOLL RATE REDUCTIONS

During 1990, AT&T Communications of the Southern States (ATT-C) provided its customers with progressively attractive rates. In January, the company voluntarily lowered rates by $9,500,000. In addition, the company, in conjunction with a national campaign, ran a promotion from July 4 through September 30 offering substantial discounts on many long distance services. This three-month promotion was estimated to result in a $9,540,000 reduction in revenues.

Beginning in 1988 and extending through June of 1990, the commission partially relaxed its regulation of AT&T Communications of the Southern States (ATT-C). As an experiment to "test the waters" of the long distance marketplace for signs of competition, the commission waived several of its regulatory constraints on ATT-C for a two-year period. The results of the experiment suggested this market is competitive.

On June 8, 1990, ATT-C petitioned the commission for further relaxation of its regulation of the company, arguing that the time had come for all participants in the market

to be able to compete on the same level. The commission granted this request with the condition that the performance of ATT-C and the marketplace be examined over the next two-and-one-half years, with possible changes made to the regulation of ATT-C after that time.

TARIFF ACTIVITY

During 1990, 482 tariffs became effective compared to 590 during 1989. Of these 482, 138 were presented to the commissioners at Agenda Conference. Of the total tariffs that became final, 236 were filed by local exchange companies (LECs), 243 were filed by interexchange companies (IXCs) and three were filed by shared tenant companies (STSs).

Several tariffs are of particular interest:

Toll Discount Tariffs

On November 19, 1990, Southern Bell proposed revisions to its tariff for an experimental trial of the Market Reach plan in the Lake Mary wire center which is in the central office of the Sanford exchange. This plan would mandate local measured service (LMS) for all Lake Mary business customers and would be optional for residential customers. The commission approved the plan on March 6, 1990.

The Market Reach plan is a LATA-wide calling plan which expands the local calling area and discounts all intraLATA toll charges along with mandating LMS for business customers. A discount on outgoing calls to the entire LATA is included as part of the basic Market Reach plan in order to make it more attractive (i.e., a discount on intraLATA toll calls helps to balance usage sensitive pricing for the local calling area.)

The Market Reach plan has led to several other investigations and additional tariff filings. One proceeding that Market Reach has led to is an investigation of the methodology used to account for access charges and other relevant costs in local exchange company toll pricing. This investigation deals with the issue of whether the commission should adopt the Florida Interexchange Carrier Association's (FIXCA) guidelines for determining LEC access charges. The proposed guidelines are as follows: 1) toll revenues should cover access costs for each market segment; 2) access costs should be calculated with the understanding that originating access charges apply to non-conversation minutes; 3) access costs should reflect the time-of-day distribution of the market under consideration; 4) access costs should be calculated using effective tariffed rates that apply to actual network configurations; 5) the Busy Hour Minute of Capacity (BHMOC) should be the average BHMOC/Minute of use rate realized during the most recent calendar period; and, 6) LEC toll services must also be priced to recover all other relevant costs in addition to those associated with the LECs implied "purchase" of access service.

Southern Bell and other LECs have proposed other toll calling plans besides Market Reach. For example, Southern Bell filed a tariff revision on May 23, 1990, to introduce a new optional calling plan called Saver Service for residential and business customers. This plan would permit customers to purchase a block of time at a flat monthly rate for intraLATA long distance Message Telecommunications Service. This plan was approved on July 31, 1990. Southern Bell also has an additional optional toll calling plan called the Aggregate Plan, which is similar to Saver Service, except it is designed for the large users group. This docket

is pending the outcome of the Access Methodology docket.

Caller Identification

Although the first Caller Identification (ID) tariff was filed in 1989, the subject continues to be one of the most controversial tariffs ever considered by the FPSC. Representatives from the DEA, FBI, Justice Department, FDLE, FMA, Florida Attorney General, and the Florida Cabinet, among many others, have made appearances before the commission on this subject. It has been to a regular commission agenda no fewer than four times to date, as well as formal evidentiary hearings here in Tallahassee and service hearings around the state. Another round of hearings are scheduled for March 11, ensuring that Caller ID will continue to be a controversial topic through most of 1991. The tariffs are all pending.

Related tariffs and date filed:

T-89506 & 507, T-90-023 - Southern Bell Caller ID tariffs; 9/29/89, 01/24/90
T-90-339 - Centel Caller ID tariff; 8/6/90
T-90-347 - Southern Bell Bulk Calling Line Identification (BCLID) tariff; 8/13/90
T-90-560 - United Caller ID tariff; 12/09/90
T-90-565 - GTE Calling Number ID tariff; 12/21/90

PRIVATE LINE/ SPECIAL ACCESS, 1990

On July 16, 1990, the commission concluded Phase 1 of its investigation into Southern Bell's filing to restructure and reprice private line and special access services. Docket No. 890505-TL was opened to investigate the tariff revisions, rate increases, and related cost studies. The filing was submitted so that Southern Bell could establish a single, simplified rate structure for its local private line, interexchange private line, and special access (InterLATA) services. Another purpose of the filing was to increase the price of many of these services, since existing rates did not cover costs. By proposing increases in rates, Southern Bell intended to encourage customers to exchange private line channels for switched network alternatives, thus promoting greater efficiency of the switched network.

Historically, all other Florida local exchange companies have concurred in Southern Bell's interexchange private line and special access tariffs or, in the case of United Telephone Company, closely imitated these tariffs. Thus, the changes in tariffs and rates for these services apply to all local exchange companies' interexchange private line and interLATA jurisdictions.

The commission conducted its investigation of Docket No. 890505-TL in two phases. Phase 1 addressed the appropriateness of the proposed filing and Phase 2 addressed the revenue offsets required to negate the rate increases. The commission concluded Phase 1 by approving Southern Bell's filing at its July 16, 1990, Agenda Conference to become effective January 16, 1991. The commission based its decision on its evaluation of Southern Bell's private line and special access cost studies, tariff, rate restructure, and rate levels. Since the increases in rates required to cover costs were substantial, monthly rates for special access service were scheduled to be phased-in over a three-year period.

Phase 2 revenue offsets were approved by the Commission on December 4, 1990. Similar to the special access rate increases, the Phase 2 revenue offsets were scheduled to take place over a three-year period, beginning on January 16, 1991. These revenue

offsets are reductions in revenues for services other than private line services, such as Access Services and PBX Touchtone.

SERVICE EVALUATION ACTIVITY

The level of service provided by the telecommunications industry within the state continues to be closely monitored and measured, both by service evaluations conducted in the field and close surveillance of company-submitted periodic reports. The commission's comprehensive service evaluation program continues to be enriched by refinements and expansion. Increased emphasis has been placed on safety, the availability of service for the handicapped, the proper intercept of misdirected calls, and acceptable grounding of subscriber's loops. During each service evaluation conducted in 1990, the availability of acceptable TDD (Telecommunications for the Deaf) service in each business office, repair, operator and 911, service was tested and, where lacking, steps taken to correct those deficiencies.

The Bureau of Service Evaluation, in its most productive year to date, initiated over 1,100,000 test calls while evaluating four local exchange company (LEC) areas. These companies, which include ALLTEL (from 10 of its 27 central offices throughout its serving area), Centel (two central offices in Tallahassee and three in the Starke area), Southern Bell (two offices in Gainesville, one office in Brooksville, one office in Dunnellon, one office in Weeki Wachee), and United Telephone (three central offices in the Winter Park area) were evaluated; a total of 23 central office locations.

Some of the many items evaluated include: answer time, including operator, directory assistance, business office, repair service and 911 time measurements, business office and repair service operations, including both installation intervals and time to repair reports (out of service and service affecting); directory assistance, including its availability, accuracy of listings and billing accuracy; dial tone; proper intercept; emergency (standby) power capability; and, proper transmission levels (for each IXC and for subscriber loops). In addition, call completions and toll billing/timing of both LECs and IXCs continue to be high-priority test items. Finally, special emphasis was placed on the evaluation of all areas of safety as relates to the provision of service.

IXCs were evaluated from each of the 23 central office locations, resulting in a total of 58 IXC evaluations.

A total of 988 subscriber loops were measured from 42 geographical locations with emphasis on transmission levels, noise, proper grounding, and protection (safety). Where grounding and/or protection deficiencies were detected, the operating company would correct the problem immediately. Other deficiencies were normally corrected within weeks of our report to the company

A total of 3,794 pay telephones (PATS), consisting of 2,407 LEC and 1,387 non-LEC units, were evaluated for compliance with commission rules. Letters were sent to the responsible party of each PATS evaluated and, where a deficiency was noted, staff requested corrective action be taken immediately with notification when the corrective action was completed. A follow-up evaluation was conducted on a number of these to verify corrective action.

While the division handled 385 written complaints and inquiries, this bureau processed a total of 235 of these, all requiring

technical assistance; some requiring many man hours and on site investigations.

At the request of the National Conference of Regulatory Utility Commission Engineers, the Bureau of Service Evaluation made a presentation before the group representing engineers from all areas of the USA. Additionally, a live demonstration was made from a central office in Alabama for the benefit of those present. Both the presentation and demonstration were well received. The bureau has given assistance to other states in the development of evaluation programs or in the improvement of an established program. The FPSC is a national leader in ascertaining adequate telephone service availability for all the state's subscribers.

INTRALATA TOLL COMPETITION

In March of 1990, the PSC concluded an investigation into toll transmission monopoly areas, equal access exchange areas, the exclusive use of 1+ intraLATA dialing for the local exchange companies, and other local access-related issues.

The toll transmission monopoly areas and equal access exchange areas were regulatory mechanisms developed by the commission to facilitate the transition of the telecommunications industry in Florida from divestiture to competition while maintaining the quality and low prices of local service. This transitional structure is of great concern to both the local exchange companies and the interexchange companies for opposite reasons. Maintaining the current structure provides the local exchange companies with a stable revenue stream with which to maintain low local rates; to the interexchange companies it represents an artificial constraint keeping them from competing in what could be a competitive market. It is the commission's responsibility to balance these opposing interests.

The commission determined that toll transmission monopoly areas would be eliminated December 31, 1991. This would allow the local exchange companies an additional year-and-a-half to complete any final modifications in preparation for the onset of transmission competition. While transmission competition will occur in 1992, actual toll competition will not occur because the commission decided to allow the local exchange companies to retain the exclusive use of intraLATA 1+ dialing. The commission determined that until intraLATA presubscription for toll carriers could be technically engineered, the local exchange companies could retain the exclusive use of 1+ intraLATA dialing.

Other major decisions made during this investigation were to allow the resale of local exchange company access, to retain the equal access exchange areas, and to continue the local bypass restriction. Previously, the commission only allowed the resale of local exchange companies' message toll and WATS services. However, in keeping with the commission's desire to encourage use of the local exchange companies' network, the commission has extended the resale of services to include local access. Equal access exchange areas are to be retained temporarily because the flat rate Local Transport access element is based on its boundaries, and having the access element flat rate also encourages the use of the local network. The prohibition against interexchange carriers providing their own local access facilities to their customers, thus bypassing the local exchange companies' network, was reaffirmed.

FEDERAL/STATE JOINT BOARD ON SEPARATIONS AND SETTLEMENTS

During 1990, Commissioner Tom Beard and FPSC staff participated on the Federal/State Joint Board on Separations and Settlements. This Board is comprised of four state commissioners and three FCC commissioners, with a supporting staff committee of fifteen members. Its purpose is to negotiate changes to the procedures for separating interstate from intrastate expenses and revenues. This Board not only settles disputes between the States and the FCC, but also initiates recommended changes to the FCC via NARUC. The Joint Board meets three times a year, the week prior to regularly scheduled NARUC meetings. The major topics that were addressed this year were: initiation of a comprehensive rewrite of Part 36 Rules governing the separations process; an investigation into the replacement of an existing traffic usage data collection system; monitoring the development of a computer modeling system that will use national data reported to the FCC; and, the resolution of investment criteria for the Universal Service Fund.

ALTERNATIVE OPERATOR SERVICES

Alternative operator service (AOS) providers generally serve the hospitality and pay telephone industry and share revenues with hotels and other host facilities. The commission continued its enforcement actions against several AOS companies, based on service evaluation test calls which indicated the companies were in violation of various AOS standards. In response, settlement agreements were negotiated with the companies to include correction of all violations and payment of fines.

During 1990, both Congress and the Florida Legislature passed laws to address AOS abuses. In this regard, the Florida Public Service Commission continues to resolve consumer complaints and conduct service evaluations of the industry. In addition, the commission is working with the Department of Business Regulation (DBR) so that DBR's inspectors may test for AOS abuses on their regularly-scheduled inspections of the Hospitality Industry. Apparent violations found by DBR inspectors will be reported to the commission for enforcement action.

ALTERNATE ACCESS VENDORS

In 1989, the commission opened an investigation into Alternate Access Vendors (AAVs), telecommunications companies that provide the access connection between large businesses and interexchange carriers, to determine how they operate and whether the commission should develop a new set of rules appropriate for access vendors. During 1990, the list of issues was expanded to also address the commission's position on the bypass of the local exchange company. The expansion of issues was in recognition of the impact of the new Chapter 364, Florida Statutes, and the Toll Monopoly Areas and Equal Access and Exchange Areas Docket upon the AAV issues. The commission will rule on these issues in 1991.

PAY TELEPHONE SERVICE

By Order No. 22385, issued January 9, 1990, the commission approved the LECs authority to bill, collect, and remit a $.75 surcharge on behalf of non-LEC pay telephone providers (NPATS). The surcharge is applied to 0- and 0+ intraLATA traffic

originated from nonLEC pay telephones. In order to implement the surcharge, the LECs proposed the imposition of a nonrecurring initiation charge.

By Order No. 22874, issued April 30, 1990, the commission on its own motion, extended the terms of the PATS stipulation until a new order is issued. This stipulation was entered into by the Florida Pay Telephone Association and the LECs in 1988 and was due to expire on September 8, 1990.

On June 7, 1990, the commission issued Order No. 23046, clarifying Order No. 21614, issued July 27, 1989, to state that the PATS surcharge does not apply to local calls originating at NPATS pay telephones.

A hearing was held in Docket No. 860723-TP (Petition for Review of Rates and Charges to PATS Providers from LECs) in August of 1990. A special agenda conference was held December 7, 1990, to revisit the issues in the original stipulation between the NPATS and the LECs plus new issues that have arisen as a result of technological changes. Some key results of that agenda are: the use of Store and Forward technology was not allowed for intraLATA calls; the usage rates for interconnection of NPATS to LEC networks and the interconnection rate where measured service is not available were both reduced; LECs were required to provide screening and blocking to NPATS providers in all exchanges where it is technologically feasible using existing and office equipment; a generic policy was approved which allows different operational terms and conditions for pay telephones in penal institutions and hospitals for the mentally ill; NPATS providers are not allowed to participate in optional EAS or toll-discount plans offered by the LECs to residential and business customers; and, six-second billing was required for billing of measured local service by LECs. The commission also decided to allow a set use charge of $.25 on operator-assisted local and intrastate toll calls for both NPATS and LPATS (LEC Pay Telephone Providers). The local set use charge is new for both NPATS and LPATS. The local set use charge is net LPATS and represents a reduction from the up to $1.00 surcharge for NPATS. The order of this docket is expected to be issued in early 1991.

EXTENDED AREA SERVICE

During 1990, the PSC received seven new requests for extended area service (EAS). The Commission ordered surveys for a traditional two-way flat rate nonoptional plan (2WFRNO) for three of the 17 open dockets. One of those surveys passed and the commission ordered implementation of 2WFRNO EAS. The results of the two other surveys will not be reported to the commission until 1991. The results of two surveys which had been ordered in 1989 were reported to the commission in 1990. Both surveys passed, and the Commission ordered implementation of 2WFRNO EAS in both of those dockets.

The commission ordered surveys for boundary changes in two of the 17 open dockets. The dockets involved pocket exchanges which did not qualify for traditional EAS. The survey results for these two dockets will not be available until 1991.

The commission ordered implementation of a toll discount plan known as Toll-PAC in three of the open dockets. Toll-PAC provides for a 30% discount for all toll calls to certain minimum calling level. Toll-PAC was ordered in these three dockets because the exchanges in question did not meet the

requirements for traditional EAS.

EAS was denied in two of the open dockets because the exchanges in question did not meet the requirements for traditional EAS, nor the requirements for any alternative to EAS. The commission ordered an innovative new plan in one docket. That plan provides for 2WFRNO EAS between all exchanges within Gadsden County. The plan further provides for calling between Gadsden County exchanges and the Tallahassee exchange at the rate of $.25 per call after an allowance of five free calls.

In an EAS-related docket, the commission voted to extend the base rate area in a particular exchange.

The commission took action in two dockets concerning Southern Bell's EOEAS and OEAS plans (Enhanced Optional Extended Area Service and Optional Extended Area Service). In the first of the two dockets, Southern Bell proposed implementation of EOEAS on seven new routes. Three of the routes were approved as submitted. Three other routes were approved; however, four intermediate routes were ordered and the approved rate on one of the routes was lower than proposed by the company. An entirely new route was ordered, and one route was deferred to another docket. In the second docket Southern Bell proposed to make obsolete several OEAS plans and Toll-PAC plans for routes which now have EOEAS plans. The commission approved the proposal since EOEAS plans are more favorable to the customer than OEAS or Toll-PAC plans.

FEDERAL LIAISON

A. In 1990, The Florida Public Service Commission (FPSC) filed comments with the FCC and the NTIA in the following dockets:

1. *In the Matter of Competition, Rate Deregulation and the Commission's Policies Relating to the Provision of Cable Television Service* - FPSC filed comments February 28, 1990, Docket No. 89-600, in response to the FCC's Notice of Inquiry (NOI). The NOI was the FCC's initial step in preparation of its "Six Year Report" to Congress as mandated in the Cable Communications Policy Act of 1984. The FCC sought information to enable it to formulate a response to the various allegations of monopolistic behavior on the part of the cable industry. The FPSC urged the FCC to be forward looking as it addresses the issue raised in the NOI, as well as those raised in the cross-ownership docket. The FPSC stressed that it would be best to take a conservative approach to the introduction of competition into the cable industry. In the NOI, the FCC endorses its view that cable rate regulation is a federal, not local matter. However, it sought comments on the following:

- (a) How should the responsibility of rate control be allocated between federal and state regulators to maximize the benefits of all cable subscribers? The FPSC raised the identical arguments made in the Open Network Architecture proceedings. The FPSC maintained that the transport of cable television, whether by a telephone company or a cable company, is local in nature. As a final note, the FPSC urged the FCC to consider potential separations effects of an interstate designation if common carriers are allowed into cable.

2. *In the Matter of Interconnection of Exchange Access Carrier Facilities* - The FPSC filed comments April 3, 1990, Case No. RM-7294, supporting the resolution adopted by the

National Association of Regulatory Utility Commissions (NARUC) that urged the FCC to open a Notice of Inquiry to examine the impact of generally allowing alternative access vendors to compete with the LECs before it considered whether to grant Metropolitan Fibers Systems' Petition (MFS). MFS petitioned the FCC to establish rules under section 210(a) of the Communications Act governing "the physical interconnection of facilities for competitive carriers providing local access services" in the interstate market. Through its petition, MFS sought to have the FCC mandate physical interconnection to the Regional Holding Companies' (RHCs) networks through virtual or physical collocation. In summary, the FPSC urged that before taking any further action on this petition, the FCC issue a Notice of Inquiry which specifically seeks to determine the revenue and other impacts on the LECs of MFS' petition. Further, if the petition should be granted, the FPSC proposed an orderly, phased-in transition to local competition, with proper cost allocation and safeguards to minimize rate shock to residential users. Similarly, the goals of universal service should be kept uppermost in this proceeding.

3. *Comprehensive Study of the Domestic Study of the DomesticTelecommunications* - FPSC filed comments April 4, 1990, in response to the Notice of Inquiry (Docket No. 91296-9296) by the U.S. Department of Commerce National Telecommunications and Information Administration (NTIA), titled Comprehensive Study of Domestic Telecommunications Infrastructure (hereinafter "NOI"). The NOI is a study of the nation's telecommunications infrastructure wherein a wide variety of information and comments regarding the current and future role of telecommunications in the development of the national and global economies is sought. The NTIA specifically asked what role regulatory and other government policies should play in promoting the development of a telecommunications infrastructure that meets present and future national needs. The FPSC comments primarily addressed this issue. The FPSC stated that, while we agree that it is necessary and desirable to encourage the development of a "state of the art" infrastructure, the commission does not believe that the current regulatory policies are hindering that goal. In fact, the commission argued that regulatory policy has helped and will continue to help facilitate that goal. Regulatory policy has been evolving to accommodate the divestiture of the Bell System and to usher in the Information Age. Experience in Florida indicates that regulatory policies have preserved universal service while encouraging the development of new technology and the proliferation of information services. In summary, the commission believes that the emerging Information Age holds a great deal of excitement and promise. However, the commission expressed concerned that promise of new technology is getting ahead of a reasoned approach to its deployment and implementation. Not enough emphasis is being placed on examining how the right of every America to basic communications service will be protected.

4. *In the Matter of Amendment of Part 32, Uniform System of Accounts for Telecommunications Companies, to Revise the Accounting for General Purpose Computer and Information Management Expenses. (Docket No. 90-215, comments filed May 24, 1990)* - In the FCC's NPRM, it proposed to amend Part 32, Uniform System of Accounts for Telecommu-

nications Companies, to eliminate two expense accounts, Account 6124 (General Purpose Computers Expense), and Account 6724 (Information Management), and reclassify these expenses to other expense accounts. The FPSC concurred with the Michigan Public Service Commission's comments to the FCC. The FPSC was concerned that changes in Part 32 accounts will affect both jurisdictional separations under Part 36 and apportionment of interstate costs under the Part 69 access rules. Based on a preliminary review, the Commission estimated that Florida could experience a $6 million shift in jurisdiction separations from interstate to intrastate as a result of eliminating Accounts 6124 and 6724. The FPSC recommended that the FCC review Part 36 and Part 69 impacts by referring this issue to the Federal-State Joint Board for quantification and consideration before making any decision.

5. *Petition for Rulemaking Regarding the Sample Traffic Analysis and Reports System (STARS)* - The FPSC filed comments on June 6, 1990, in the FCC's Petition for Rulemaking Case No. RM-7370, supporting the Petition filed by NARUC, which asked the FCC to initiate a rulemaking proceeding for the adoption of a rule to require the continued use by Local Exchange Carriers (LECs) of the Sampled Tariff Analysis and Reports System (STARS). Further, the industry should continue using STARS until the Federal/State Joint Board develops or adopts an acceptable replacement system. The FPSC was concerned that the replacement of STARS with an unknown and untested procedure may result in worse data. Also, the industry may have great difficulty restarting STARS or recovering lost data in the interim.

6. *Policies and Rules Concerning Operator Service Providers* - On September 7, 1990, the FPSC filed comments in Docket No. 90-313. The FPSC recommended that FPSC Order No. 20489 adequately sets forth the commission's rationale for instituting, on an intrastate basis, many of the requirements proposed for interstate calling by the FCC. The Order was considered to be comments in favor of the FCC's proposed rules. The FPSC filed the following comments to the proposed rules:

- a. *Customer Information* - The FPSC recommended that the FCC's proposed rule to require the provision of customer information and notification to every person who uses operator services should be modified to address "store and forward" and/or "operator-in-a-box" capabilities of various call aggregators.

- b. *Call Blocking* - The commission recommended that the Call Blocking Prohibition should also include zero and/or zero minus calls which is just as important, if not more so,than 800, 950 and 10XXX. Accordingly, the commission recommended that the FCC, as the FPSC has, adopt the North American Dialing Plan to assure uniformity in the way call aggregators route end-user- dialed calls.

- c. *Equipment Capabilities* - FPSC supported this proposed requirement.

- d. *Unanswered And Uncompleted Calls* - The commission recommended that AOS providers be prohibited from either billing or charging for uncompleted calls unless the AOS can estab-

lish that they have a previous and ongoing relationship with the end user. Further, AOS providers shall bill in no greater than one minute increments. The commission referenced these FPSC rules in support of a rule on unanswered and uncompleted calls.

- e. *Call Splashing* - The commission supported prohibition on call splashing.

- f. *Access Codes of Interexchange Carriers* The commission supported the availability of IXC access instructions from directories and/or from the LEC operator, unless it does not comport with the interexchange carrier's business plans.

- g. *NARUC Recommendation on Emergency Call Standards* - The commission supported the adoption of emergency call standards.

However, the commission recommended that such standards should apply to local exchange companies which have a responsibility to all users within their territory, rather than standards which will be available only to a relatively few transient end users. The FPSC requires zero minus calls to be routed to the local exchange company. The commission recommended, in the public interest, to institute a similar requirement in the interstate jurisdiction.

Further, the commission recommended that the FCC make a detailed inquiry into Billed Party Preference in this docket, prior to implementing the FCC's proposed operator service provider rules.

B. In 1990, Commissioner Tom Beard and FPSC staff participated in the following National Association of Regulated Utility Commissioners (NARUC) related activities:

1. *NARUC Communications Committee.* Each year, three annual meetings are held at which Commissioners and staff address policy issues. As members of the committee and staff subcommittee on Communications in 1990, Commissioner Beard and FPSC staff have studied and addressed issues pertaining to Open Network Architecture (ONA), cable television-telephone cross-ownership, price caps, operator service providers and Integrated Services Digital Network (ISDN).

2. *410(b) State/Federal Joint Conference on Open Network Architecture.* Commissioner Beard is the chair of state delegation of this committee, which was formed by the FCC to study and address ONA issues of concern to both state and federal jurisdiction. The 410(b) committee meets at the same time NARUC meets.

SHOW CAUSE ACTIVITY

Proceedings have been initiated against 116 pay phone companies and 13 long distance companies (no resort communities and no shared tenant service providers) to require them to show cause why they should not be fined and/or have their certificates revoked for violating commission rules. ◆

Local Exchange Companies

Regulated Statistics as of September 1990

	GROSS PLANT IN SERVICE (000)	OPERATING REVENUES (000)	OPERATING REVENUE DEDUCTIONS (000)	NET OPERATING INCOME (000)
ALLTEL	$ 132,650	43,066	34,775	8,291
CENTEL	468,037	150,538	126,236	24,302
GTE	3,401,424	1,121,164	918,243	202,921
SOUTHERN BELL	8,626,719	2,979,173	2,404,492	574,681
UNITED	1,930,995	635,983	499,863	136,120
ALL OTHER LEC's	133,431	48,957	40,454	8,503
TOTAL	**$14,693,256**	**$4,978,881**	**$4,024,063**	**$954,818**

Telephone Utilities

Regulated Statistics as of September 1990

COMPANY HEADQUARTERS	NO. OF FLORIDA EXCHANGES	FLORIDA ACCESS LINES	PERCENT OF STATE TOTAL	ACCESS LINE PERCENT GROWTH FROM PREVIOUS YEAR
ALLTEL FLORIDA, INC. LIVE OAK, FLORIDA	27	52,690	0.70	4.70
CENTRAL TELEPHONE COMPANY OF FLORIDA TALLAHASSEE, FLORIDA	35	276,086	3.70	5.20
FLORALA TELEPHONE COMPANY FLORALA, ALABAMA	2	1,711	0.02	3.00
GTE FLORIDA, INC. TAMPA, FLORIDA	24	1,681,814	22.32	2.40
GULF TELEPHONE COMPANY PERRY, FLORIDA	2	7,633	0.10	3.50
INDIANTOWN TELEPHONE SYSTEM, INC. INDIANTOWN, FLORIDA	1	2,441	0.03	4.70
NORTHEAST FLORIDA TELEPHONE COMPANY MACCLENNY, FLORIDA	2	5,609	0.07	5.60
QUINCY TELEPHONE COMPANY QUINCY, FLORIDA	3	9,121	0.12	4.70
ST. JOSEPH TELEPHONE & TELEGRAPH COMPANY PORT ST. JOE, FLORIDA	13	21,958	0.29	4.30
SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY MIAMI, FLORIDA	102	4,394,649	58.33	3.40
SOUTHLAND TELEPHONE COMPANY ATMORE, ALABAMA	2	3,064	0.04	4.20
UNITED TELEPHONE COMPANY OF FLORIDA ALTAMONTE SPRINGS, FLORIDA	68	1,071,034	14.22	6.60
VISTA-UNITED TELECOMMUNICATIONS LAKE BUENA VISTA, FLORIDA	1	5,842	0.07	8.00
TOTAL:	283	7,533,652		4.00

Division of Electric and Gas

JOE JENKINS, DIRECTOR

The Division of Electric and Gas is responsible for providing technical information, advice, and assistance in the accounting, engineering, and rate areas regarding the regulation of the electric and gas industries. The division is responsible for analysis of testimony and exhibits in informal commission proceedings. This includes developing cross-examination and direct testimony, and preparing recommendations concerning the disposition of electric and gas matters.

ELECTRIC UTILITY RATE LEVEL REGULATION

During its sunset review of the Public Service Commission, the Florida Legislature enacted Section 366.06(3)(a), Florida Statutes, which requires that each public electric utility with total annual sales in excess of one million megawatt-hours file a report every four years, or four years from its most recently-completed rate case. All other public electric utilities are required to file on a five-year basis. The report is to consist of, at a minimum, the modified minimum filing requirements (MMFR) then required by the commission by rule, for rate proceedings pursuant to Section 366.06, Florida Statutes. Copies of the report are to be served on the Public Counsel and each party to the utility's most recent rate case concurrently with a filing with the commission. Within 10 days of the receipt of the report, the commission must make copies available to the public at no more than the actual costs of reproducing the report.

Section 366.06(3)(b), Florida Statutes, requires that the Commission implement this reporting procedure for all public utilities within 18 months of the effective date of the act, which is October 1, 1989. To accomplish this implementation, approximately one-third of the public utilities are required to file each six months after the effective date of the act. One criterion in determining the order of filing shall be the time interval since each utility's last rate case.

As a result of this requirement, Gulf Power Company and Florida Power & Light Company were ordered to file MMFRs by March 30, 1990. In addition, Florida Power Corporation was ordered to file MMFRs by March 30, 1990, due to concerns about its level of earnings. Tampa Electric Company was ordered to file its MMFRs by October 1, 1990.

Both Gulf Power Company and Florida Power & Light Company, were released from their requirement to file MMFRs because both filed a full set of minimum filing requirements (MFRs). The MMFRs filed by Florida Power Corporation and Tampa Electric Company are currently being reviewed.

During 1990, one investor-owned utility rate case was finalized and one was opened and closed. Gulf Power Company filed its petition on December 15, 1989. A total increase of $26,295.000 was requested by the utility to bring the overall company rate of return to 8.34%.

The utility also requested interim rate relief under Section 366.071, F.S. totalling $22,847,000 that would yield a return of 8.28%. This request was based on a year end rate base and a 13.00% return on equity. The commission voted on February 6, 1990 to suspend the permanent rate increase

pending hearings and to grant an interim rate increase of $5,751,000. The commission authorized Gulf Power Company to increase its rates and charges by $14,131,000 annually. However, this increase was reduced to $11,838,000 annually for a two-year period to reflect a temporary reduction in the authorized return on equity from 12.55% to 12.05% as a result of mismanagement. The commission also ultimately concluded that the interim increase was appropriate and no refund was necessary.

Florida Power & Light Company was ordered to file a set of MFRs rather than the recently implemented MMFRs due to concerns about its level of earnings. The utility filed its MMFRs on July 31, 1990. However, the utility did not petition for either a rate increase or a rate decrease.

After a review of the data, the staff recommended that the utility's rates were not excessive on a prospective basis.

However, the potential for overearnings did appear to exist for calendar year 1990. On December 18, 1990, the commission voted to close the rate case, but hold the docket open to review the utility's earnings for 1990. In addition, $26,470,000 in annual revenues was held subject to refund pending the review of 1990.

The Federal Tax Reform Act decreased the top corporate income tax rate from 46% to 34%, effective July 1, 1987. The act also repealed the investment tax credit, introduced a new depreciation system, the Modified Accelerated Cost Recovery System, and introduced a new corporate alternative minimum tax.

In 1987 and 1988, the PSC adopted electric returns on equity to be used to determine the amount of any tax savings that would be refunded to the ratepayers. The returns on equity to be utilized are shown below.

As a direct result of the use of these lower returns on equity in the calculations of the potential tax savings to be refunded, actual refunds were made in 1990 for tax savings realized in 1989. The following tax savings refunds, excluding interest, were made during 1990: FPL - $39.5 million; GPC - $0; and TECO - $18.7 million. After a review of the utility's calculations, it was determined that the amount already refunded by TECO was appropriate. A determination of the appropriate amounts for FPL and GPC, however, will be made in early 1991.

Return On Equity For Tax Savings Purposes

Electric Utilities	Authorized	1987	1988	1989
Florida Power & Light Company (FP&L)	15.60%	13.60%	13.60%	13.60%
Florida Public Utilities Company (FPUCO)				
Fernandina Beach	--	13.70%	13.70%	13.50%
Marianna	13.25%	13.25%	13.25%	13.25%
Gulf Power Company (GPC)	15.60%	13.60%	13.75%	13.75%
Tampa Electric Company (TECO)	14.50%	13.60%	13.60%	13.60%

Effective for tax years beginning January 1, 1990, the tax rule has been repealed.

FUEL COST RECOVERY

Fuel cost recovery proceedings continue to be held twice a year to examine utility fuel cost, fuel transportation costs, and costs related to system operations. The fuel staff has been closely monitoring oil prices due to events in the Middle East. The market pricing system for fuel transactions with affiliates remains in effect. This pricing system replaces a cost plus guaranteed profit pricing mechanism for fuel affiliates. Still to be done is a final vote on reconsideration of a $5.8 million refund for excess barge capacity by Florida Power Corporation's fuel affiliate. The next step is to review Florida Power coal transportation system for which a comparable market test could not be found.

GAS REGULATION
NATURAL GAS UTILITY RATE LEVEL REGULATION

Three gas utility rate cases were completed during 1990.

Central Florida Gas Company and Plant City Natural Gas Company filed a joint petition requesting the two utilities be combined into one, and requesting a joint increase of $1,315,496. The commission approved the consolidation and granted an increase of $780,097 based on a return on equity of 13.00%.

The second rate case completed in 1990 involved Peoples Gas System, Inc. The company requested an increase of $14,283,034. The commission granted an increase of $7,489,913 based on an authorized return on equity of 13.00%.

The final rate case proceeding completed in 1990 was a request by City Gas Company of Florida for an increase of $6,757,589. The commission granted an increase of $3,106,420 based on a return on equity of 13.00%.

At year end, three rate cases filed during 1990 remained in progress and on schedule. Cases were in progress for Florida Public Utilities Company, Miller Gas Company, and South Florida Natural Gas Company.

In compliance with Chapter 366.06(3)(a)(b), Florida Statues, St. Joe Natural Gas Company and Indiantown Gas Company filed modified minimum filing requirements reports. As for electric utilities, the stated legislative intent in requiring the filing was to assure that the rates and charges of a public utility are just, reasonable, not unjustly discriminatory, in violation of law, or yielding excessive compensation for the services rendered. The commission found that neither company's rates were unjust, unreasonable, or yielding excessive compensation for services

GAS PIPELINE SAFETY

Forty-seven written notifications of gas safety violations were issued in 1990. These notifications cited 128 rule violations ranging from improper pipe materials to failure to train operations personnel. All violations have either been corrected or scheduled for correction pursuant to the commission's Standard Operating Procedures. The staff's pipeline safety evaluations covered 86 natural gas systems with approximately 21,936 miles of mains and 588,463 natural gas customers.

Damage to natural gas pipelines by outside force (pipelines cut or damaged by others engaged in excavation activities) continues to be the leading gas safety issue in Florida, as well as in the rest of the

country.

Florida now has a statewide one-call system for location of pipelines and other utilities. If past experience with local one-call systems holds true for statewide use, the number of outside force incidents should decline.

This decline should accelerate as more utilities, contractors and governments participate in the one-call system.

Local Gas Accidents & Incidents

Year	Number of Gas Systems Reporting	Number of Incidents	Number of Injuries	Number of Fatalities	Outside Force
1980	12	17	6	6	13
1981	13	29	36	1	14
1982	12	29	12	2	11
1983	5	20	8	0	14
1984	8	18	1	0	14
1985	12	25	3	2	17
1986	7	16	2	0	14
1987	8	16	5	2	13
1988	8	19	1	0	18
1989	10	28	3	0	26
1990	8	35	0	0	33
Totals	103	252	77	13	187

Note: Reporting requirements were tightened in 1989, resulting in discontinuity in the time series.

FLORIDA GAS TRANSMISSION SYSTEM EXPANSION AND RESTRUCTURING

The Federal Energy Regulatory Commission (FERC), on June 15, 1990, approved a settlement agreement filed by Florida Gas Transmission (FGT) October 17, 1989, that significantly restructured its system. FGT implemented the authority granted by the FERC order, effective August 1, 1990:

- (1) to expand its delivery capacity from 825 million cubic feet per day (MMcfd) to 925 MMcfd;
- (2) to replace its historical method of allocating services and capacity with a defined level of daily, seasonal, and annual service to allocate the new total capacity of 925 MMcfd;
- (3) to convert its system to open-access transportation and implement new transportation services;
- (4) to restructure its portfolio of sales for resale services to include implementation of two additional firm sales services, and to provide a new blanket interruptible sales service;
- (5) to provide temporary and permanent capacity adjustments to its firm service customers;
- (6) to establish procedures for supply shortage curtailments and for capacity

related curtailments;

- (7) to restructure its tariffs to ensure that firm sales and firm transportation service are comparable, including the establishment of proportional access for supply receipt points and providing for in-line transfer points and total receipt point flexibility for shippers;
- (8) to implement a Transitional Cost Recovery Mechanism to recover actual costs of buying out or buying down old supply contracts, and;
- (9) under a restructured rate design, to implement rates to remain in effect until issues of rate design, cost classification, and cost allocation are resolved through hearing or further settlement.

In a supplemental rate settlement filed February 16, 1990, FGT proposed deferral of certain policy questions posed in a FERC Ratemaking Policy Statement until its next general rate filing. The FERC rejected that proposal and remanded the matter to the presiding administrative law judge with instructions to develop a record to determine whether FGT's proposed rate design was consistent with FERC's Policy Statement.

Through the summer, a series of prehearing and settlement conferences at the FERC resulted in a revised settlement proposal, which modified interim rates implemented on August 1, 1990. On August 15, 1990, FGT filed its revised offer of settlement and related tariff sheets. Rates in the revised offer purported to implement the objectives of the FERC's Policy Statement and to resolve all reserved rate design issues that had been the cause of the remand. The FERC issued an order December 18, 1990, accepting the settlement, finding that it was reasonable and should be approved.

On December 19, 1990, FGT announced an "open season" to solicit commitments for firm transportation and sales service into the State of Florida to determine the potential for a third phase of expansion fits system. The open season request period closes February 28, 1991.

CONSERVATION GOALS FOR ELECTRIC UTILITIES

In 1980, the Florida Public Service Commission (FPSC) required the electric and qualified gas utilities to adopt programs to meet the requirements of the newly-enacted Florida Energy Efficiency and Conservation Act (FEECA). Since that time, the Florida utilities have implemented scores of different conservation programs primarily targeted toward the reduction of peak demand, reducing the rate of kilowatt hour growth, and reducing oil as a generator fuel. While impossible to measure with precision, these programs are estimated to have made large reductions in demand.

The legislative sunset review of the FEECA statute occurred during the 1989 regular session. The major change resulting from that review was the addition of cogeneration as a conservation measure and a size limitation such that only electric utilities with more than 500 gigawatt hours of retail sales would be subject to the provision of FEECA. In response, the FPSC revised the existing rules relating to conservation goals by deleting specific numerical goals and adopting broad policy goals for conservation. In addition, the commission ordered (Order No. 22176 issued 11/14/89) all affected electric and natural gas utilities to submit new and updated conservation plans and programs in order to implement the legislative intent embodied in FEECA.

The commission acted upon these program submittals on September 11, 1990, approving most of the programs. A few programs were rejected and the commission directed them to be resubmitted for review at a later date.

CONSERVATION GOALS FOR THE NATURAL GAS UTILITIES

Conservation goals for gas utilities focus on three needs: to slow growth in demand for electricity, particularly during peak times; to reduce consumption of petroleum fuels; and, to increase the efficiency of natural gas use. Conservation programs designed to meet these goals must do so while being projected to be cost-effective to the gas utility's ratepayers.

CONSERVATION COST RECOVERY CLAUSES

Investor-owned utilities subject to the provisions of FEECA are permitted to recover prudent and reasonable expenses for conservation programs on a six month adjusted conservation cost recovery factor. This approach is identical to the biannual fuel adjustment process were actual expenses and projected fuel expenditures are adjusted and recovered based on each kilowatt sold by the utility. This recovery method allows prompt recovery of conservation expenditures and serves to encourage utilities to pursue such activities.

The following table is a listing of utility expenditures for conservation and conservation cost recovery factors per KWH or natural gas therm:

Commission Regulated Florida Electric and Gas Utilities

Estimated Conservation Cost Recovery for 1990

	Amount Spent	Average Recovery Factor - Cents/DWH of Cents/Therms
Florida Power Corporation	$ 50,375,561	.207
Florida Power & Light	40,198,829	.056
Florida Public Utilities **	69,031	.017
Gulf Power Company	1,305,832	.011
Tampa Electric Company	12,768,371	.112
Chesapeake Utilities	261,613	.687
City Gas Company	2,176,089	2.147
Peoples' Gas System	3,947,064	1.244
Southern Gas Company	33,349	.351
St. Joe Natural Gas	43,181	.560
West Florida Natural Gas	443,614	.817
Total	**$111,577,534**	

* January - May are actual amounts / June - December are projected amounts.
**Marianna and Fernandina Beach divisions are combined.

LOAN PROGRAMS

The loan guarantee program allows the Florida Public Service Commission to use up to $5 million of Regulatory Trust Fund monies to guarantee loans made by utilities or financial institutions to customers who purchase and install approved energy conservation measures.

A. Loan Guarantee Program:

Five utilities have been approved for and are participating in the loan guarantee program. Under this program, the FPSC is required to maintain reserves equal to 5 percent of the outstanding principal loan balances.

Following is a summary of the FPSC Utility Loan Guarantee Program as of June 30, 1990:

Total number of loans	$ 4,480
Total amount of loans made to date	$10,355,392
Total amount of loans repaid	$ 8,900,143
Total amount of defaulted loans	$ 46,464
Principal outstanding balance	$ 1,455,249

B. Energy Conservation Loan Test Program:

Modeled after the successful Loan Guarantee Program, the Energy Conservation Loan Test program is designed to promote additional energy conservation in Florida. The Florida Public Service Commission, by Order No. 16539, issued on September 3, 1986, initiated the loan test program. This program is designed to provide a guarantee and subsidy of loans by financial institutions to home owners or occupants in order to encourage retrofitting of existing housing to improve the efficiency of energy usage.

Investor-owned, municipal, and cooperative electric and gas utilities are eligible to adopt the test program and coordinate with financial institutions to promote and make loans to utility customers. Financial institutions may participate in the test program via an approved utility program and receive from the commission a 4% interest subsidy and guarantee of loans covered by the program.

Gulf Power Corporation, Florida Public Utilities, Tampa Electric Company, Florida Power Corporation, Gainesville Regional Utilities, Lee County Cooperative, Lakeland Electric and Water, and the City of Tallahassee Utilities have been approved to participate in the loan test program. Participating financial institutions have been approved to loan $20,725,000 for residential conservation measures. As of June 30, 1990, the participating financial institutions have originated $14,235,346 in energy conservation loans, and the commission has paid a total of $1,152,090 in interest subsidy payments to these financial institutions.

ANNUAL PLANNING HEARINGS

Pursuant to Chapter 403, Florida Statutes, the commission is charged with the responsibility for determining the need for power plants proposed to be constructed in Florida. Considering only individual power plant applications does not provide the commission with an adequate statewide perspective of the need for additional generation and transmission facilities. As an improvement to this process, the commission initiated hearings on load forecasts, generation expansion planning studies and cogeneration prices. In doing so, the commission implements the legislative mandate of Chapter 366.04(3), F. S., to exercise jurisdiction over the "planning, development, and maintenance of a coordinated

electric power grid throughout Florida to assure an adequate and reliable source of energy for operational and emergency purposes in Florida and the avoidance of further uneconomic duplication of generation, transmission, and distribution facilities."

On October 25, 1990, the commission's new rules relating to planning hearings became effective. Under the new rules, planning hearings will be held on a periodic basis and will consider the generation needs of the individual utilities, as well as the generation needs of the state as a whole. This new rule allows the commission the latitude to focus on issues that are important at the time of the planning hearing. In addition, the rule permits individual utilities to submit updated plans to the commission between the periodic planning hearings, to reflect changes that have occurred since their last filing.

COGENERATION AND SMALL POWER PRODUCTION

By its enactment of the Public Utility Regulatory Policy Act of 1978 (PURPA), the Congress of the United States required that the Federal Energy Regulatory Commission (FERC) promulgate rules implementing PURPA and further required that each state regulatory commission develop procedures by which it would implement the FERC's rules. As a result, the commission promulgated initial rules on the purchase of capacity and energy from qualifying cogenerators and small power producers (qualifying facilities) in 1981. These rules were revised in 1983 and, most recently, in 1990.

In response to the 1989 legislative session, the commission adopted rules, effective October 25, 1990, which encourage cogeneration by eliminating the risk factor previously used in calculating payments to qualifying facilities and by requiring utilities to offer qualifying facilities a levelized payment option. The rules are designed to pay qualifying facilities "full avoided costs"-- the cost that would result in no change to the ratepayers electric bills because of the purchase from the qualifying facility. Public utilities are required to negotiate with qualifying facilities for the purchase of capacity and energy. The rules require public utilities to negotiate in good faith and provide a mechanism for relief should a utility fail to negotiate in good faith. To further encourage cogeneration, each public utility is required to submit tariffs for the purchase of non-contractual energy from any qualifying facility and submit at least one standard offer contract for the purchase of firm capacity and energy from qualifying facilities under 75 megawatts and from governmental solid waste facilities.

In order to implement these new rules and develop new standard offer contracts for the purchase of capacity and energy from qualifying facilities under 75 megawatts and from solid waste facilities, the Commission ordered the investor-owned utilities to file new generation expansion plans and standard offer contracts by October 30, 1990. Hearings will be scheduled to provide the opportunity for all parties to review and comment on the plans and standard offer contracts.

As of January 1, 1990, Florida has approximately 980 megawatts of committed firm capacity under contract from qualifying facilities. In total, approximately 50 qualifying facilities are providing either firm or non-contractual energy to the Florida grid.

GENERATING CAPACITY SHORTFALLS

Just before Christmas 1989, an unprecedented cold wave invaded Florida. Peak electrical demands exceeded generating capacity by approximately 4,400 megawatts on Christmas Day. As a result, rotating blackouts were initiated by some Florida utilities.

In the investigation that followed, the commission ordered Florida's electric utilities to prepare a severe weather emergency plan for the State (Order No. 22708, March 20, 1990). Development of the Plan was coordinated with the Florida Electric Power Coordinating Group in concert with the commission staff, the Governor's Energy Office, the Department of Community Affairs/Division of Emergency Management, and local county and municipal agencies.

Entitled "Florida Electrical Emergency Contingency Plan - Generating Capacity Shortage Element," the Plan was adopted by the commission and codified into a commission rule at the December 4, 1990, Agenda Conference. The plan adresses actions to be taken by Florida's electric utilities during a generating capacity shortage, and consists of procedures to be followed by individual utilities and by all utilities to ensure coordinated statewide action and communication. From a statewide perspective, the plan describes four separate phases and procedures to be followed for each phase. The four phases are: Generating Capacity Advisory, Generating Capacity Alert, Generating Capacity Emergency, and System Load Restoration.

POWER PLANT/ TRANSMISSION LINE NEED DETERMINATION PROCEEDINGS

The commission has been given the charge to review the need for any steam generating plant whose purpose is to generate electricity. Prior to 1986, any plant over 50 megawatts (MW) was subject to a Commission need determination. In 1986, the Legislature increased this threshold to 75 MW. Since 1985, the commission has certified the need for the following generating facility additions:

- 1. Broward County's (South) solid waste-fired small power production plant; initial capacity of 68.5 MW with ultimate capacity of 96.1 MW; initial capacity with an expected in-service date of June, 1991;
- 2. Palm Beach County's solid waste-fired small power production plant; initial capacity of 50 MW with ultimate capacity of 75 MW; initial capacity with an in-service date of April, 1992;
- 3. Broward County's (North) solid waste-fired small power production plant; initial capacity of 51 MW (gross) with an ultimate capacity of 76.5 MW (gross); initial capacity with an in-service date of September, 1990;
- 4. International Minerals and Chemical Corporation's 67.3 MW cogeneration facility with an in-service date of August, 1986;
- 5. AES Cedar Bay, Inc. 225 MW fluidized bed coal plant with a scheduled in-service date of January, 1993;
- 6. Seminole Electric Cooperative, Inc., is a joint project with Tampa Electric Company and TECO Power Services, Inc. for 440 MW combined cycle plant. The first 295 MW will be in-service

January, 1993, and 145 MW additional capacity will be in-service January, 2003;

- 7. Florida Power & Light Company's repowering of its Fort Lauderdale Units 4 and 5 to increase each units capacity by 286 MW with an in-service date of December, 1992; and
- 8. Florida Power & Light Company's Martin Units 3 and 4, both are 385 MW gas fired combined cycle plants with in-service dates of December, 1993, and December, 1994, respectively.

In public hearings to determine the need for each plant, the commission determined that generating reserves were sufficient to maintain an adequate and reliable supply of electricity in the state through the early 1990's.

TRANSMISSION LINE CERTIFICATION

Under the Transmission Line Siting Act, the commission is charged with determining the need for any transmission line greater than 230 kilovolts and that crosses a county line. Similar to the Power Plant Siting Act, such a need determination is a prerequisite to environmental permitting.

During 1990, the commission has certified the need for the following major transmission line addition in Florida:

- 1. A 230 kilovolt (kV) transmission line from the Seminole Electric Cooperative's generating plant in Putnam County to the Jacksonville Electric Authority's Firestone Substation in Duval County. The line has a prepared in-service date of March, 1994.

ENERGY BROKER AND EXPANDED BROKER

The Energy Broker resembles a computerized central dispatch for Florida's electric utilities. This program makes hourly comparisons of each utility's fuel costs to determine the least-cost sources of energy for that hour. The Expanded Broker extends the idea of hour-by-hour broker operation to include unit commitment scheduling for periods up to seven days. Since the inception of the Energy Broker in 1978 and the Expanded Broker in 1982, these programs have resulted in tremendous monetary savings for Florida's ratepayers. Actual cost savings attributed to these pro-

Year	Energy Broker Savings ($)	Expanded Broker Savings($)	TOTAL Savings ($)
1978	$16,502,000		16,502,000
1979	22,195,000		22,195,000
1980	43,251,000		43,251,000
1981	62,164,000		62,164,000
1982	64,154,000	4,450,000	68,604,000
1983	55,614,000	14,177,000	69,791,000
1984	44,892,000	9,941,000	54,833,000
1985	60,433,000	16,857,000	77,290,000
1986	24,832,000	13,000,000	37,832,000
1987	40,652,000	13,605,000	54,257,000
1988	33,119,000	8,487,000	41,606,000
1989	38,567,243	6,267,932	44,835,175
1990	*	*	*
TOTAL	506,375,243	86,784,932	593,160,175

* Energy Broker and Expanded Broker data is not yet available for 1990.

grams are shown in the table below.

ELECTRIC SAFETY

The Bureau of Electric Safety was established in August 1986, pursuant to legislation enacted July 1, 1986. The bureau is comprised of the Bureau Chief, three engineering supervisors, eight engineers, and a secretary.

The commission rule implementing the 1986 legislation became effective in August, 1987. In March 1987, the electric utilities began reporting their completed transmission and distribution work order number of work that was completed after July 1986. A total of 7,565 inspections have been completed on random-sampled numbers from 103,276 work order numbers processed this year. New construction (completed after July 1, 1986) accounted for 2,246 variances from the National Electrical Safety Code. In addition, 687 code variances found on old construction were reported to utilities for corrective action.

Ten territorial disputes and one agreement were settled. Four of the disputes were finally settled by agreement. Inspection of 1,145 pay telephone installations were completed.

Number of Electric Contact Injuries and Fatalities to the Public*
(1981-1990)

Year	Accidents	Injuries	Fatalities	Construction Related Injuries	Construction Related Fatalities	Non-Construction Related Injuries	Non-Construction Related Fatalities
1981	74	71	15	30	5	41	10
1982	58	45	19	12	5	33	14
1983	39	30	17	7	5	23	12
1984	39	30	17	16	4	14	13
1985	38	35	17	11	3	24	14
1986	46	36	15	7	9	29	6
1987	55	54	23	10	7	44	16
1988	46	40	17	18	0	32	17
1989	52	43	14	11	5	22	9
1990	50	45	16	9	4	36	12

*Not shown are numerous injuries and fatilities due to vehicles striking poles for which electrical contact was not made.

Regulated Investor-Owned Electric Utilities

1990 Operating Statistics

Electric Utility (Total System)	Gross Electric Plant In Service	Operating Revenues	Operating Expenses	Operating Income	End of Period Number of Customers
Florida Power Corp.	4,338,781,503	1,709,148,035	1,433,154,809	275,993,226	1,157,966
Florida Power & Light	11,696,048,186	4,987,689,706	4,293,912,283	693,777,423	3,158,823
Florida Public Utilities	33,419,974	31,453,862	29,456,171	1,997,691	20,501
Gulf Power Company	1,472,875,128	529,222,256	437,589,612	91,632,644	290,443
Tampa Electric Company	2,299,705,195	939,797,041	728,242,906	211,554,135	461,497
TOTAL ELECTRIC UTILITY	19,840,828,986	8,197,310,900	6,922,355,781	1,274,955,119	5,089,230

Investor-Owned Electric Utility

Purchased Fuel Cost

Expressed in Dollars Per Unit and Cents Per KWH

Year	Heavy Oil $/BBL	Heavy Oil c/KWH	Light Oil $/BBL	Light Oil c/KWH	Coal $/TON	Coal c/KWH	Natural Gas $/MCF	Natural Gas c/KWH
1974	11.10	1.79	12.27	3.60	16.70	0.73	0.60	0.66
1975	11.58	1.87	12.76	3.74	23.38	1.02	0.74	0.81
1976	11.34	1.83	13.63	4.00	25.52	1.12	0.85	0.94
1977	13.27	2.14	15.00	4.40	29.38	1.29	0.88	0.97
1978	12.30	1.98	15.49	4.54	34.63	1.52	1.04	1.14
1979	18.23	2.94	29.40	8.62	38.43	1.68	1.20	1.32
1989	23.26	3.77	33.23	9.74	42.61	1.86	1.31	1.44
1981	28.32	4.57	46.67	13.68	53.23	2.33	2.15	2.37
1982	27.73	4.47	51.27	15.03	56.69	2.48	2.21	2.43
1983	27.52	4.44	35.34	10.36	57.84	2.53	2.91	3.20
1984	29.39	4.74	34.57	10.13	57.02	2.49	3.43	3.77
1985	24.94	4.02	32.62	9.56	57.01	2.49	3.28	3.61
1986	13.51	2.18	19.55	5.73	53.01	2.31	2.03	2.23
1987	18.14	2.93	23.58	6.91	48.82	2.13	2.70	2.97
1988	13.88	2.24	14.22	4.17	48.33	2.11	2.05	2.25
1989	16.58	2.67	24.71	7.24	48.46	2.12	2.43	2.67
1990	18.96	3.06	31.29	9.17	49.82	2.18	2.65	2.91

Sources: 1974 -1980 FERC Form 423
1981 - 1990 Monthly Fuel Adjustment Filings

NOTES: MCF = Thousand Cubic Feet; one BBL = 42 gallons
One Ton = 2,000 pounds
Conversions: Heavy Oil 6,300,000 BTU's per barrel - 10,000BTU's per KWH
Light Oil 5,800,000 BTU's per barrel - 17,000 BTU's per KWH
Coal 11,450 BTU's per pound - 10,000 BTU's per KWH

Residential Electric Rate Changes - 1990

Fuel cost in cents/KWH - Bill in $ for 1,000 KWH

No changes for months not listed

	January		April		June		August		October	
	Fuel	Bill	Fuel	Bill	Fuel	Bill	Fuel	Bill	Fuel	Bill
FPL	1.971	$74.20	2.280	$75.74	No change		No change		2.323	$75.46
FPC	2.466	$71.12	2.457	$70.82	No change		No change		2.489	$71.53
TECO	2.338	$76.34	2.530	$77.96	No change		No change		2.617	$79.12
GULF	2.147	$60.28	2.466	$63.65	No change		No change		2.194	$64.94

Investor-Owned Utilities

Typical Electric Bill Comparisons*

Residential Service

December 31, 1990

UTILITY	Minimum Bill or Customer Charge	KWH 100	250	500	750	1000	1500
FLORIDA POWER & LIGHT COMPANY	$5.65	$12.38	$22.48	$39.31	$56.13	$75.46	$114.12
FLORIDA POWER CORPORATION	$5.32	$11.87	$21.82	$38.39	$54.96	$71.53	$104.68
TAMPA ELECTRIC COMPANY	$7.00	$14.21	$25.03	$43.06	$61.09	$79.12	$115.18
GULF POWER COMPANY	$8.00	$13.69	$22.24	$36.47	$50.71	$64.94	$93.41
FLORIDA PUBLIC UTILITIES COMPANY:							
Marianna Division	$6.65	$12.72	$21.82	$36.99	$52.15	$67.32	$97.66
Fernandina Beach Division	$7.00	$14.07	$24.67	$42.33	$60.00	$77.66	$112.99

*Excluding Local Taxes / October 1990–March 1991 fuel costs are included

Municipal Utilities

Typical Electric Bill Comparisons*

Residential Service

December 31, 1990

MUNICIPAL UTILITIES	Minimum Bill or Customer Charge	KWH 100	250	500	750	1000	1500
ALACHUA	$8.00	$15.69	$27.22	$46.43	$65.65	$84.86	$123.29
BARTOW	$5.50	$12.45	$22.89	$40.27	$57.66	$75.04	$109.81
BLOUNTSTOWN	$3.50	$10.02	$19.79	$36.08	$52.37	$68.66	$101.24
BUSHNELL	$6.50	$13.74	$24.60	$42.70	$60.80	$78.90	$115.10
CHATTAHOOCHEE	$3.00	$8.20	$16.01	$29.02	$42.02	$55.03	$81.05
CLEWISTON	$6.50	$12.77	$22.18	$42.85	$61.03	$79.20	$115.55
FORT MEADE	$8.67	$17.11	$29.77	$50.87	$71.97	$93.07	$135.27
FORT PIERCE	$5.20	$12.48	$23.39	$41.58	$59.76	$77.95	$114.33
GAINESVILLE	$4.85	$11.63	$21.81	$38.77	$55.72	$73.71	$109.67
GREEN COVE SPRINGS	$6.00	$13.68	$25.19	$44.39	$63.58	$82.78	$121.16
HAVANA	$6.00	$14.67	$27.68	$49.37	$71.05	$92.73	$136.10
HOMESTEAD	$5.50	$13.60	$25.76	$46.01	$66.27	$86.52	$127.03
JACKSONVILLE	$5.50	$11.97	$21.68	$37.85	$54.03	$70.20	$102.55
JACKSONVILLE BEACH	$4.50	$11.58	$22.20	$39.90	$57.60	$75.30	$110.70
KEY WEST	$4.76	$13.72	$27.16	$49.56	$71.96	$94.36	$139.16
KISSIMMEE	$4.88	$14.01	$27.71	$50.53	$73.36	$96.18	$141.83
LAKE WORTH	$2.65	$10.93	$23.35	$44.05	$64.75	$85.45	$126.85
LAKELAND	$3.94	$11.16	$21.98	$40.02	$58.06	$76.10	$112.18
LEESBURG	$5.00	$11.87	$22.18	$39.35	$56.53	$73.70	$108.05
MOORE HAVEN	$8.50	$16.25	$27.88	$47.25	$66.63	$86.00	$124.75
MOUNT DORA	$5.98	$12.13	$22.92	$40.90	$58.87	$76.85	$112.81
NEW SMYRNA BEACH	$4.75	$13.29	$26.09	$47.43	$68.76	$90.10	$132.78
NEWBERRY	$5.00	$12.63	$24.08	$43.17	$62.25	$81.33	$119.50
OCALA	$7.00	$14.14	$24.85	$42.71	$60.56	$78.41	$114.12
ORLANDO	$4.50	$11.61	$22.27	$40.04	$57.80	$75.57	$111.11
QUINCY	$2.40	$8.25	$17.03	$31.65	$46.28	$60.90	$90.15
REEDY CREEK	$2.85	$8.79	$17.70	$32.55	$47.40	$62.25	$91.95
SEBRING	$9.30	$21.69	$40.27	$71.25	$102.22	$133.19	$195.14
STARKE	$6.45	$13.40	$23.83	$41.20	$58.58	$75.95	$121.70
ST.CLOUD	$7.50	$14.67	$26.53	$49.97	$73.40	$96.83	$143.70
TALLAHASSEE	$3.89	$11.20	$22.17	$40.44	$58.72	$76.99	$113.54
VERO BEACH	$7.10	$13.26	$22.50	$37.90	$53.29	$68.69	$99.49
WAUCHULA	$8.62	$15.66	$26.21	$43.81	$61.40	$78.99	$114.18
WILLISTON	$6.00	$14.38	$26.96	$47.91	$68.87	$89.82	$131.73

* Excluding Local Taxes / December 1990 Fuel and Purchased Power Costs are Included

Cooperative Utilities

Typical Bill Comparisons*

Residential Service

December 31, 1990

COOPERATIVE UTILITIES	Minimum Bill or Customer Charge	KWH 100	250	500	750	1000	1500
CENTRAL FLORIDA	$8.50	$15.75	$26.62	$44.74	$62.85	$80.97	$117.21
CHOCTAWHATCHEE	$11.85	$17.77	$26.65	$41.45	$56.24	$71.04	$100.64
CLAY	$7.00	$14.91	$26.78	$46.55	$66.33	$86.10	$125.65
ESCAMBIA RIVER	$7.00	$13.49	$23.22	$39.44	$55.66	$71.88	$104.32
FLORIDA KEYS	$5.52	$13.07	$24.39	$43.25	$62.12	$80.98	$118.71
GLADES	$10.50	$18.85	$31.38	$52.25	$73.13	$94.00	$135.75
GULF COAST	$7.00	$14.65	$26.13	$45.25	$64.38	$83.50	$121.75
LEE COUNTY	$5.00	$13.14	$25.35	$45.70	$66.05	$86.40	$127.10
OKEFENOKE	$6.09	$13.99	$25.84	$45.59	$65.34	$85.09	$124.59
PEACE RIVER	$10.00	$18.20	$30.50	$51.00	$71.50	$92.00	$133.00
SUMTER	$8.37	$16.69	$29.17	$49.96	$70.76	$91.55	$133.14
SUWANNEE VALLEY	$8.37	$17.09	$30.18	$51.99	$73.80	$95.61	$139.23
TALQUIN	$7.50	$14.84	$25.85	$44.20	$62.55	$80.90	$117.60
TRI-COUNTY	$8.00	$17.00	$30.50	$53.00	$75.50	$98.00	$143.00
WEST FLORIDA	$6.97	$14.39	$25.52	$44.07	$62.62	$81.17	$118.27
WITHLACOOCHEE	$8.38	$15.59	$26.40	$44.42	$62.43	$80.45	$116.49

* Excluding Local Taxes/ December 1990 Fuel and Purchased Power Costs are included

Investor-Owned Utilities

Typical Electric Bill Comparisons*

Commercial / Industrial

December 31, 1990

UTILITY	KW DEMAND / KWH 750	1,500	75 / 15,000	150 / 45,000	500 / 150,000	1000 / 400,000	2000 / 800,000
FLORIDA POWER & LIGHT COMPANY	$64	$120	$1,145	$3,022	$9,741	$23,823	$47,606
FLORIDA POWER CORPORATION	$55	$105	$980	$2,506	$8,439	$20,583	$41,088
TAMPA ELECTRIC COMPANY	$61	$115	$1,189	$2,991	$9,889	$24,196	$48,222
GULF POWER COMPANY	$65	$119	$903	$2,291	$8,476	$19,393	$38,561
FLORIDA PUBLIC UTILITIES COMPANY:							
Marianna Division	$55	$100	$842	$2,312	$7,625	$19,627	$39,219
Fernandina Beach Division	$64	$119	$1,089	$3,058	$10,103	$26,288	$52,538

*Excluding Local Taxes / October 1990 – March 1991 Fuel Rates are included

Municipal Utilities

Typical Electric Bill Comparisons*

Commercial / Industrial

December 31, 1990

MUNICIPAL UTILITIES	KWH 750	KWH 1,500	KW DEMAND 75 / KWH 15,000	KW DEMAND 150 / KWH 45,000	KW DEMAND 500 / KWH 150,000	KW DEMAND 1000 / KWH 400,000	KW DEMAND 2000 / KWH 800,000
ALACHUA	$72	$137	$1,421	$3,696	$12,267	$30,357	$60,691
BARTOW	$73	$140	$1,394	$3,575	$11,872	$29,095	$58,171
BLOUNTSTOWN	$62	$118	$1,116	$3,333	$11,095	$29,575	$59,143
BUSHNELL	$70	$134	$1,349	$3,517	$11,677	$28,922	$57,824
CHATTAHOOCHEE	$53	$101	$976	$2,821	$9,405	$23,962	$47,924
CLEWISTON	$72	$137	$1,321	$3,622	$11,990	$30,715	$61,395
FORT MEADE	$82	$146	$1,309	$4,014	$13,170	$32,250	$64,410
FORT PIERCE	$67	$129	$1,306	$3,416	$11,316	$28,158	$56,286
GAINESVILLE	$67	$125	$1,207	$3,223	$10,705	$23,749	$47,437
GREEN COVE SPRINGS	$64	$121	$1,387	$3,585	$11,891	$25,135	$50,146
HAVANA	$71	$136	$1,307	$3,909	$13,016	$34,698	$69,390
HOMESTEAD	$74	$140	$1,429	$3,887	$13,038	$32,743	$65,521
JACKSONVILLE	$60	$113	$1,121	$2,963	$9,760	$24,600	$49,000
JACKSONVILLE BEACH	$67	$127	$1,551	$3,982	$13,236	$32,436	$64,856
KEY WEST	$91	$178	$1,767	$4,773	$15,900	$40,095	$80,185
KISSIMMEE	$77	$147	$1,627	$4,092	$13,171	$30,281	$60,513
LAKELAND	$68	$126	$1,178	$3,133	$10,480	$24,902	$49,428
LAKE WORTH	$74	$146	$1,437	$4,236	$14,091	$35,074	$70,136
LEESBURG	$68	$131	$1,298	$3,260	$10,827	$26,177	$52,337
MOORE HAVEN	$82	$155	$1,493	$3,990	$13,248	$33,323	$66,623
MOUNT DORA	$59	$113	$1,084	$3,241	$8,636	$21,359	$42,703
NEWBERRY	$71	$137	$1,460	$3,600	$11,965	$28,547	$57,079
NEW SMYRNA BEACH	$83	$159	$1,554	$4,159	$13,786	$34,774	$69,514
OCALA	$61	$114	$1,110	$2,909	$9,647	$23,283	$46,545
ORLANDO	$59	$112	$1,162	$2,931	$9,736	$23,603	$47,191
QUINCY	$51	$96	$1,050	$2,753	$9,035	$22,760	$45,460
REEDY CREEK	$71	$140	$1,071	$2,875	$9,548	$24,063	$48,111
ST. CLOUD	$82	$155	$1,590	$4,391	$14,580	$37,377	$74,729
SEBRING	$113	$213	$2,009	$5,358	$12,234	$30,996	$61,956
STARKE	$78	$146	$1,382	$4,127	$13,734	$36,609	$73,209
TALLAHASSEE	$69	$133	$1,348	$3,385	$11,225	$27,195	$54,365
VERO BEACH	$56	$104	$1,115	$2,881	$8,798	$21,685	$43,311
WAUCHULA	$80	$134	$1,097	$3,512	$11,556	$28,883	$57,701
WILLISTON	$72	$137	$1,486	$3,975	$13,210	$33,197	$66,377

* Excluding Local Taxes / December 1990 Fuel and Purchased Power Costs are included

Cooperative Utilities

Typical Bill Comparisons*

Commercial / Industrial

December 31, 1990

COOPERATIVE UTILITIES	KWH 750	KWH 1,500	KW DEMAND 75 / KWH 15,000	KW DEMAND 150 / KWH 45,000	KW DEMAND 500 / KWH 150,000	KW DEMAND 1000 / KWH 400,000	KW DEMAND 2000 / KWH 800,000
CENTRAL FLORIDA	$69	$124	$1,380	$3,516	$11,651	$28,038	$56,026
CHOCTAWHATCHEE	$58	$104	$993	$2,600	$9,359	$20,956	$41,412
CLAY	$69	$128	$1,252	$3,384	$11,150	$25,810	$51,370
ESCAMBIA RIVER	$56	$104	$1,156	$2,975	$9,822	$24,292	$48,544
FLORIDA KEYS	$76	$135	$1,306	$3,827	$12,814	$33,589	$67,203
GLADES	$80	$147	$1,594	$4,440	$14,730	$34,575	$68,975
GULF COAST	$64	$122	$1,092	$2,952	$9,812	$24,812	$49,612
LEE COUNTY	$68	$130	$1,221	$3,258	$10,825	$27,775	$55,535
OKEFENOKE	$94	$158	$1,425	$3,751	$11,968	$29,648	$58,788
PEACE RIVER	$76	$140	$1,239	$3,174	$10,463	$25,850	$51,650
SUMTER	$79	$145	$1,133	$2,881	$9,475	$28,978	$57,906
SUWANNEE VALLEY	$78	$147	$1,560	$4,159	$13,771	$34,687	$69,334
TALQUIN	$65	$122	$1,394	$3,611	$11,895	$28,160	$56,020
TRI-COUNTY	$83	$153	$1,429	$3,562	$11,640	$27,550	$55,000
WEST FLORIDA	$63	$118	$1,109	$2,812	$9,255	$22,750	$45,450
WITHLACOOCHEE RIVER	$71	$134	$1,287	$3,349	$11,107	$27,525	$55,025

* Excluding Local Taxes / December 1990 Fuel and Purchased Power Costs are included

Investor-Owned Electric Utilities

Miscellaneous Charges

December 31, 1990

UTILITY	Initial Connect (1)	Normal Reconnect (2)	Violation Reconnect (3)	Collection Charge (4)	Temporary Service (5) Underground	Temporary Service (5) Overhead
FLORIDA POWER & LIGHT COMPANY	$16.00	$16.00	$19.00	$0.00	$110.00	$145.00
FLORIDA POWER CORPORATION	$15.60	$13.00	$23.40	$0.00	$29.45	$38.98
		$5.20 (6)			$30.32 (7)	$54.57 (7)
TAMPA ELECTRIC COMPANY	$20.00	$16.00	$18.00	$5.00	$70.00	$70.00
GULF POWER COMPANY	$20.00	$16.00	$16.00	$6.00	$60.00	$60.00
FLORIDA PUBLIC UTILITIES COMPANY:						
Marianna Division	$30.00	$15.00	$30.00	$0.00	$0.00	$0.00
Fernandina Beach Division	$13.00	$11.00	$15.00	$0.00	$0.00	$0.00

(1) Initial connection to an establishment never having prior service.
(2) Connection of service to an establishment having had prior service.
(3) Connection of service to a customer who has been disconnected due to a violation of Commission rule/regulation, i.e., non-pay, meter tampering, bad check, etc.
(4) A collection charge is made in the event a service representative visits the premises for the purpose of discontinuing service for nonpayment of a delinquent account and the customer pays or arranges to pay the past due amount in lieu of service interruption
(5) Charge for installing and removing a temporary service drop.
(6) The $5.20 charge is applicable when only one trip to the premise is required.
(7) Applicable when three-phase service drop is required.

Investor-Owned Electric Utility

Growth and Use Statistics

December 31, 1990

UTILITY	Average Residential Consumption for 1990	Average Percent Gain in Residential Consumption	Residential Customers as of Dec. 31, 1990	Average Percent Gain in Residential Customers	Residential Revenues for 1990	Percent Gain in Residential Revenues	Average Residential Revenue Per KWH Sold	Total Retail Operating Revenue	Percent Gain in Total Retail Operating Revenue
FLORIDA POWER & LIGHT	11,952	5.1%	2,847,451	2.8%	$2,683,193,141	3.1%	$0.0801	$4,803,749,646	2.7%
FLORIDA POWER CORP.	12,319	2.2%	1,029,206	2.6%	$902,900,000	9.3%	$0.0727	$1,563,700,000	9.6%
TAMPA ELECTRIC CO.	13,489	1.7%	406,752	1.9%	$412,853,164	1.0%	$0.0763	$855,956,527	.4%
GULF POWER CO.	13,173	0.0%	256,111	1.9%	$219,365,414	7.7%	$0.0653	$438,373,123	-2.8%
FL. PUBLIC UTILITIES									
Marianna Div.	11,730	6.0%	8,694	6.5%	$6,795,265	5.62%	$0.0676	$14,186,830	-3.0%
Fernandina Beach Div.	13,260	2.0%	8,722	3.1%	$9,057,602	28.1%	$0.0790	$17,267,031	12.5%

NOTE: ABOVE REVENUES INCLUDE FUEL.

Municipal & Cooperative Electric Utility

Growth and Use Statistics

December 31, 1990

UTILITY	Average Residential Consumption for 1990	Average Percent Gain in Residential Consumption	Residential Customers as of Dec.31,1990	Average Percent Gain in Residential Customers	Residential Revenues for 1990	Percent Gain in Residential Revenues	Average Residential Revenue Per KWH Sold	Total Retail Operating Revenue	Percent Gain in Total Retail Operating Revenue
MUNICIPALS									
**GAINESVILLE REGIONAL UTILITIES	11,023	2.2%	54,926	2.8%	$43,510,762	9.3%	$0.0730	$89,753,994	8.1%
JACKSONVILLE ELECTRIC AUTHORITY	13,877	9.2%	265,633	3.7%	$253,195,519	17.6%	$0.0694	$530,298,722	14.3%
CITY OF LAKELAND	12,900	-0.1%	73,480	1.1%	$74,590,026	2.5%	$0.0787	$142,781,156	3.3%
**ORLANDO UTILITIES COMMISSION	12,256	1.1%	101,620	2.1%	$94,772,642	3.7%	$0.0760	$232,970,440	4.4%
CITY OF TALLAHASSEE	12,074	7.0%	63,555	4.0%	$58,250,122	-1.0%	$0.0759	$133,414,624	2.0%
COOPERATIVES									
CLAY ELECTRIC	12,093	3.1%	95,862	2.2%	$99,731,652	4.7%	$0.0870	$131,397,128	4.1%
LEE COUNTY ELECTRIC	11,149	1.2%	107,221	4.0%	$100,364,145	5.9%	$0.0854	$147,817,691	4.8%
WITHLACOOCHEE RIVER ELECTRIC	10,956	3.9%	113,683	3.4%	$99,648,773	7.0%	$0.0800	$136,282,841	3.6%

* UTILITIES COVERED BY PURPA

** INCLUDES INTERCHANGE REVENUES

NOTE: ABOVE REVENUES INCLUDE FUEL

Utility Reported Injuries and Fatalities to the Public

Involving Electric Line Contact (1)

Year	Number of Injuries		Number of Fatalities	
	Overhead	Underground	Overhead	Underground
1985	3	32	16	1
1986	4	32	15	0
1987	4	50	23	0
1988	4	36	17	0
1989	0	43	13	1
1990	4	41	16	0

(1) Automobile striking pole type accidents in which no subsequent electric contract is made are excluded.

Investor-Owned Natural Gas Utilities

Operating Statistics 1990

Company	Gross Plant In Service	Operating Revenues	Operating Revenue Deductions	Net Operating Income	Year End Number of Customers
City Gas Company of Florida	84,390,538	40,143,000	36,588,000	3,555,000	91,225
Florida Public Utilities Co.	30,990,000	23,221,000	22,292,000	929,000	34,000
Peoples Gas (1) System, Inc.	275,832,000	212,082,000	196,080,000	16,002,000	171,098
All Others	45,975,966	51,610,754	49,039,316	2,571,438	46,274
Totals	437,188,504	327,056,754	303,999,316	23,057,438	342,597

All data are unaudited

Note (1): Operating revenues, deductions, and income are for the twelve month period ending November 30, 1990.

Investor-Owned Natural Gas Utilities

Typical Bill Comparison
(Including Gas Costs)
Residential Service
December 31, 1990

UTILITY	Minimum Bill or Customer Charge	THERMS SOLD 10	20	30	40	50	75	100
CENTRAL FLORIDA GAS CORP.	$6.50	$13.76	$21.02	$28.29	$35.55	$42.81	$60.97	$79.12
CITY GAS COMPANY OF FLORIDA	$6.00	$12.43	$18.86	$25.29	$31.73	$38.16	$54.24	$70.32
FLORIDA PUBLIC UTILITIES	$6.00	$12.04	$18.09	$24.13	$30.17	$36.21	$51.32	$66.43
INDIANTOWN GAS COMPANY	$5.00	$8.75	$12.50	$16.25	$20.00	$23.74	$33.12	$42.49
MILLER GAS COMPANY	$6.00	$12.62	$19.24	$25.86	$32.48	$39.10	$55.66	$72.21
PALM BEACH COUNTY UTILITIES	$5.00	$11.89	$18.77	$25.66	$32.55	$39.43	$56.65	$73.87
PEOPLES GAS SYSTEM, INC.	$7.00	$13.22	$19.45	$25.67	$31.89	$38.11	$53.67	$69.23
PLANT CITY NATURAL GAS CO.	$5.00	$11.90	$18.80	$25.71	$32.61	$39.51	$56.77	$74.02
ST.JOE NATURAL GAS COMPANY	$3.00	$6.33	$9.65	$12.98	$16.31	$19.64	$27.95	$36.27
SOUTH FLORIDA NATURAL GAS CO.	$6.00	$12.93	$19.87	$26.80	$33.73	$40.67	$58.00	$75.33
WEST FLORIDA NATURAL GAS	$6.00	$12.02	$18.04	$24.07	$30.09	$36.11	$51.16	$66.22

DECEMBER 1990 - GAS COSTS ARE INCLUDED

Investor-Owned Gas Utilities

Typical Bill Comparison
(Including Gas Costs)
Commercial Service
December 31, 1990

UTILITY	Minimum Bill or Customer Charge	THERMS SOLD 30	50	70	90	150	200	300
CENTRAL FLORIDA GAS CORP.	$15.00	$31.96	$43.27	$54.57	$65.88	$99.80	$128.06	$184.59
CITY GAS COMPANY OF FLORIDA	$12.00	$27.85	$38.42	$48.99	$59.56	$91.26	$117.68	$170.52
FLORIDA PUBLIC UTILITIES	$6.00	$23.97	$35.96	$47.94	$59.92	$95.87	$125.83	$185.74
INDIANTOWN GAS COMPANY	$10.00	$21.11	$28.51	$35.92	$43.32	$65.53	$84.04	$121.06
MILLER GAS COMPANY	$12.00	$27.60	$38.00	$48.40	$58.80	$90.00	$116.00	$167.99
PALM BEACH COUNTY UTILITIES	$10.00	$28.33	$40.55	$52.78	$65.00	$101.66	$132.22	$193.33
PEOPLES GAS SYSTEM, INC.	$17.00	$33.05	$43.74	$54.44	$65.14	$97.23	$123.98	$177.47
PLANT CITY NATURAL GAS CO.	$10.00	$26.52	$37.54	$48.55	$59.56	$92.61	$120.14	$175.21
ST. JOE NATURAL GAS COMPANY	$5.00	$15.10	$21.83	$28.56	$35.30	$55.49	$72.33	$105.99
SOUTH FLORIDA NATURAL GAS CO.	$8.00	$23.93	$34.55	$45.17	$55.79	$87.66	$114.21	$167.31
WEST FLORIDA NATURAL GAS CO.	$15.00	$29.00	$38.33	$47.66	$57.00	$85.00	$108.33	$154.99

DECEMBER 1990 - GAS COSTS ARE INCLUDED

Investor-Owned Gas Utilities

Typical Bill Comparison
(Including Gas Costs)
Industrial Service
December 31, 1990

UTILITY	Minimum Bill or Customer Charge	THERMS SOLD 400	500	600	700	800	900	1000
CENTRAL FLORIDA GAS CORP.	$40.00	$199.84	$239.80	$279.76	$319.72	$359.68	$399.64	$439.60
CITY GAS COMPANY OF FLORIDA	$12.00	$223.36	$276.20	$329.04	$381.88	$434.72	$487.56	$540.40
FLORIDA PUBLIC UTILITIES	$17.00	$213.17	$262.22	$311.26	$360.31	$409.35	$458.39	$507.44
INDIANTOWN GAS COMPANY	$10.00	$158.09	$195.11	$232.13	$269.15	$306.17	$343.19	$380.22
MILLER GAS COMPANY	$12.00	$219.99	$271.99	$323.99	$375.98	$427.98	$479.98	$531.98
PALM BEACH COUNTY UTILITIES	$25.00	$272.79	$334.74	$396.69	$458.64	$520.59	$582.54	$644.48
PEOPLES GAS SYSTEM, INC.	$75.00	$245.96	$288.70	$331.44	$374.18	$416.93	$459.67	$502.41
PLANT CITY NATURAL GAS CO.	$22.00	$220.49	$270.11	$319.74	$369.36	$418.98	$468.61	$518.23
ST. JOE NATURAL GAS COMPANY	$20.00	$163.17	$198.96	$234.76	$270.55	$306.34	$342.14	$377.93
SOUTH FLORIDA NATURAL GAS CO.	$8.00	$220.42	$273.52	$326.63	$379.73	$432.84	$485.94	$539.05
WEST FLORIDA NATURAL GAS CO.	$50.00	$204.90	$243.63	$282.35	$321.08	$359.80	$398.53	$437.26

DECEMBER 1990 - GAS COSTS ARE INCLUDED

Gas Utilities

Miscellaneous Charges

December 31, 1990

UTILITY	Initial Connection (1)	Normal Reconnection (2)	Violation Reconnection (3)	Collection Charge (4)
CENTRAL FLORIDA GAS CORP.	$22.00	$22.00	$22.00	$9.00
CITY GAS COMPANY OF FLORIDA	$6.50	$6.50	$6.50	$0.00
FLORIDA PUBLIC UTILITIES	$15.00	$15.00	$15.00	$0.00
INDIANTOWN GAS COMPANY	$4.00	$4.00	$5.00	$0.00
MILLER GAS COMPANY	$8.00	$8.00	$8.00	$0.00
PALM BEACH COUNTY UTILITIES	$9.00	$9.00	$9.00	$0.00
PEOPLES GAS SYSTEM, INC. (5)	$25.00	$25.00	$25.00	$10.00
PLANT CITY NATURAL GAS CO.	$22.00	$22.00	$22.00	$9.00
ST. JOE NATURAL GAS COMPANY	$10.00	$10.00	$10.00	$0.00
SOUTH FLORIDA NATURAL GAS CO.	$7.00	$7.00	$7.00	$0.00
WEST FLORIDA NATURAL GAS	$20.00	$20.00	$20.00	$0.00

(1) Initial connection to an establishment never having prior service.
(2) Connection of service to an establishment having had prior service.
(3) Connection of service to a customer who has been disconnected due to a violation of Commission rule or regulation; i.e., non pay, meter tampering, bad check, etc.
(4) A collection charge is made in the event of discontinuing service for non payment of a delinquent account and the customer pays or arranges to pay the past due amount in lieu of service interruption.
(5) Residential only, all others $50.00 except collection charge

Investor-Owned Gas Utilities

Growth and Use Statistics

December 31, 1990

UTILITY	RESIDENTIAL				ANNUAL REVENUES				
	Average Consumption		Number of Customers		Residential			Retail Operating	
	Total Therms	Percent Increase	As of 12/31/90	Percent Increase	Total Revenues	Percent Increase	AVG Revenue Therms Sold	Total Revenues	Percent Increase
CHESAPEAKE UTILITIES CORP.	272	-1.4%	6,946	3.5 %	$1,678,593	13.0 %	$0.8885	$24,613,909	10.7 %
CITY GAS COMPANY OF FLORIDA	239	-4.8%	76,426	1.9 %	$15,177,005	3.7 %	$0.8408	$40,222,489	2.5 %
FLORIDA PUBLIC UTILITIES	339	0.6 %	31,335	-0.5%	$6,648,597	4.0 %	$0.7541	$23,143,176	-1.9%
INDIANTOWN GAS COMPANY	269	-0.7	524	-0.4%	$78,943	1.8 %	$0.5591	$1,145,630	29.2 %
MILLER GAS COMPANY	176	-18.1%	4,382	-1.2%	$882,433	-2.0%	$0.9536	$2,269,948	0.5 %
PALM BEACH COUNTY UTILITIES	256	15.8 %	3,047	11.0 %	$639,425	19.6 %	$0.8562	$1,442,634	15.3 %
PEOPLES GAS SYSTEM, INC.	231	-4.9%	157,705	4.2 %	$29,693,044	4.6 %	$0.8354	$212,916,000	2.0 %
ST.JOE NATURAL GAS COMPANY	372	-8.8%	2,602	2.0 %	$293,514	-2.7%	$0.3032	$5,188,036	25.5 %
SOUTH FLORIDA NATURAL GAS CO.	265	-.7%	3,290	1.1 %	$769,088	9.9 %	$0.9100	$1,650,164	2.3 %
WEST FLORIDA NATURAL GAS CO.	366	-3.2%	22,170	19.4 %	$6,039,503	7.1 %	$0.7580	$16,052,169	-5.0%

NOTE: ABOVE REVENUES INCLUDE FUEL

Division of Research

MARY BANE, DIRECTOR

The Division of Research has three major functions: preparation of research studies, provision of statistical and technical support, and provision of information services. The division is responsible for preparation of cost-benefit analyses and studies of policy alternatives; development of research findings and recommendations; performance of studies to determine trends and conditions affecting public utilities and the regulatory environment; and preparation of statistical and technical publications on the utility industries. The division responds to requests for assistance from the other technical divisions, the administrative support divisions, the executive suite, and the commissioners.

The responsibilities of the Division of Research have evolved over the years in response to changing needs within the commission. Established in 1976, the division was initially charged with collecting and distributing information and data on topics of regulatory interest. With access to more data and information, a logical extension of the division's responsibilities was analysis of the data and formulation of findings based on that analysis. These findings were provided to the other divisions for use in their day-to-day regulatory responsibilities. As the commission's workload grew in magnitude and complexity, the division assumed more duties and responsibilities directly related to the regulatory process, such as preparation of economic impact statements for proposed rule changes, forecasting of utility revenues, and provision of technical services to the other technical divisions and to the administrative support divisions. Further, in the dramatically changing environment of the last few years, the division's role in planning and policy analysis has become essential. In this role, the division identifies and analyzes emerging issues in the energy, telecommunications, and water and wastewater areas, thus facilitating informed decisions on changes in the regulatory environment.

The division responds to requests for assistance from the other technical divisions, the administrative support divisions, the executive suite, and the commissioners. A description of some of the division's 1990 activities follows.

TECHNICAL SERVICES

During 1990, analysis of the economic effects of proposed rules occupied a significant amount of staff time. Twenty-eight economic impact statements were prepared on rules with topics ranging from backbilling by gas companies to commission policy with respect to electric depreciation practices and shared tenant telephone services.

Work was renewed on development of a performance evaluation system that would permit regulators to assess the relative performance of the electric utilities. Further, preliminary work was initiated on alternatives to traditional regulation of telecommunications companies. Other technical services included preparation of a report on provisions for dismantlement of fossil-fueled plants; development of forecasts of utility revenues for each of the industry divisions; updating of various price

indices; and monitoring of the revenue estimating conferences.

Work on federal acid rain legislation also continued to take a significant portion of staff time. Activities included extensive review and critique of pending bills and development of detailed information on the cost impacts of selected bills. A report summarizing and critiquing the 1989 bills was published early in 1990, and staff prepared a white paper summarizing the major provisions of the Clean Air Act Amendments enacted by Congress in October 1990.

REGULATORY STUDIES

During the year, the division studied a number of regulatory issues. Reports were published on a comparison of Florida's costs of regulation with costs of regulation in other states with similar responsibilities; uniform systemwide rates for water and wastewater companies; a critique and comparison of three techniques used to determine how water and wastewater plant is treated for ratemaking purposes; a "snapshot" in time of the telecommunications industry; and the development of guidelines for assessing the degree of effective competition in the telecommunications industry. A status report on bidding in the electric utility industry was also published during the year in response to a directive from the commissioners.

Study continued on projects addressing development of guidelines for evaluating utility requests for confidential treatment of filed information; a critique of electric cost of service allocation methodologies; a policy paper on changes in the electric industry; and manuals on accounting and engineering data within the commission. Work was initiated on a white paper addressing incorporation of externalities into regulatory considerations and a project evaluating different methodologies for estimating unauthorized energy usage.

INFORMATION SERVICES

The division produced various publications of operational and statistical information, including a statistical report on the electric utility industry and reports of comparative statistics for the telephone and electric industries. Deflated versions were published for the electric and telephone comparative statistics reports. These reports are updated annually to incorporate current information and make appropriate revisions. Work continued on development of a statistical report for the natural gas industry similar to that already being published for the electric industry. Additional information services included preparation of price comparisons of selected goods and services and responses to various requests for information from other divisions and from non-commission organizations. ♦

Division of Water and Sewer

CHARLES H. HILL, DIRECTOR

It is the responsibility of the Division of Water and Sewer to enforce the statutes and commission rules and regulations governing the operations of privately owned water and wastewater utility systems in the 31 counties subject to Public Service Commission regulation. The division is primarily involved with economic and service territory regulation, as well as regulation of quality of service provided.

During 1990, the Division of Water and Sewer continued working on the steady volume of docketed and undocketed applications that were received by the commission from the 820 regulated water and wastewater systems in the state. During the year, the division received 5 file and suspend rate cases, 33 staff assisted rate cases, 12 applications to increase service availability charges, and 165 pass through and price index rate adjustment applications. In the certificate area, the number of applications for 1990 continued to increase when compared with prior years. The total number of systems increased during the year. The number of jurisdictional counties regulated was unchanged.

The division's regular case load was magnified with the rate case filing of Southern States Utilities, Inc., Deltona Utilities, Inc., and United Florida Utilities, Inc. This filing covers seven counties and 34 systems. The case is one of the most complicated rate cases ever processed by the division.

In addition to the regular case load, the division continued to work on and improve in the areas of tariff filing information, intergovernmental relations, water conservation, as well as continuing to sponsor and support the NARUC Eastern Rate Seminar.

The division staff, with support from other divisions, spent many hours completing the minimum filing requirement rules, implementing rules required by sunset revisions and beginning rules to simplify the rate case process. In addition, staff worked with the Legislative staff on 1990 legislation.

1990 LEGISLATIVE CHANGES

A number of bills were followed during the 1990 legislative session. Four of these bills became law. Numerous changes were made to Chapter 367, F.S. Some of the more significant changes are as follows:

- A portion of rate case expense is now disallowed based on the percentage difference between requested revenues and approved revenues.
- Increases in regulatory assessment fees are now allowed as a pass-through rate adjustment item.
- If the commission does not issue a PAA order within five months of the official date of filing, the utility may implement its requested rates, subject to refund, if the utility chose the PAA option.
- A filing fee is now required for a limited proceeding.

- ◆ Regulatory assessment fees are not assessed on sales for resale to other regulated companies.

- ◆ The sunset date for Chapter 367, F.S., is now January 1, 1999.

TARIFF FILING INFORMATION SYSTEM

During 1990, the division continued to use and expand the Water and Sewer Tariff Filing Information System (WASTFIS). The program tracks all filings which will affect the tariffs of water and sewer companies, including those filings which do not require a docket.

A summary of 1990 tariff filing follows. A comparison with 1989 summary will show an increase in the number of filings as the division's workload increased during the year and is continuing to increase.

RATE CASE MINIMUM FILING REQUIREMENTS (MFRS)

The rate case minimum filing requirements rule was adopted during 1990. The process was begun in 1989. The staff of the division believe that this rule will reduce rate case expense and thereby lower rates than had the rule not been adopted.

WATER CONSERVATION

The commission has endorsed water conservation as a necessary goal for the State of Florida. During 1990, the commission began to expand its efforts in this area. At the initiation of Chairman Wilson, the Division of Water and Sewer opened Docket No. 900181-WS to investigate water conservation rate structures.

In this docket, a workshop was held on December 14, 1990. Attending the workshop were Commissioners Easley, Messersmith and Wilson, representation of each of the water management districts, the Department of Environmental Regulation, the Department of Natural Resources, the Department of Community Affairs, several legislative staff members and Representative Chuck Smith.

During the workshop participants addressed the current regulatory system and whether or not it facilitates or hinders the effective use of the state's water resources and discussed ways to strengthen interagency coordination and proposed legislation. Primary topics discussed were the need for more coordination among state agencies in requiring utilities to implement conservation rates and programs and wastewater reuse projects.

As a result of the workshop, projects have been planned to develop a memorandum of understanding between the PSC and the water management districts and the Department of Environmental Regulation which outline specific ways each of the agencies will participate jointly in formal and informal proceedings regarding water conservation and wastewater reuse.

INTERGOVERNMENTAL RELATIONS

The conservation docket was but one area where the division is attempting to improve our intergovernmental relations. During 1990, 11 county, state and local governments were visited by members of the division. The staff is interacting with these local governmental agencies in an effort to coordinate regulation of all water and sewer utilities.

SOUTHERN STATES UTILITIES, INC. RATE CASE

Docket No. 900329-WS was opened during 1990, to process the rate case application of Southern States Utilities, Inc. The case involves 34 regulated water and sewer systems in seven counties. The primary issue to be resolved in the case is whether or not to combine systems for ratemaking purposes. The resulting cross-subsidization issue will be resolved in 1991.

RATE CASE SIMPLIFICATION RULES

The division has begun rulemaking to simplify and codify commission rate setting policy. This process was started in 1990, and should be completed during 1991. ◆

DIVISION OF WATER AND SEWER
1990 Tariff Filing

TARIFF FILING DESCRIPTION	1989 TARIFF APPLICATIONS	1990 TARIFF APPLICATIONS
Cancellation of Certificate	0	3
Correction of Text	24	85
Deletion of Territory	4	0
Extension of Certificate	48	45
Grandfather Certificate	1	0
Price Index Rate Adjustment	78	45
Price Index & Pass-through Rate Adjustment	33	99
Investigation	5	1
Limited Proceeding	5	11
Late Payment Charge	1	0
Miscellaneous Service Charge	7	8
New Class of Service	7	5
Original Certificate	15	7
Pass-Through Rate Adjustment	2	21
Rate Case - Interim	8	5
Rate Case - Final	13	4
Service Availability	10	12
Staff Assisted Rate Case	19	33
Transfer of Certificate	28	23
Transfer of Majority Organization Control	0	2
Transfer To Governmental Agency	14	22
TOTAL	**312**	**431**

Division of Administration

JAMES A. WARD, DIRECTOR

The Division of Administration has overall responsibilities throughout the commission in areas of internal administration, including accounting, personnel, budgeting, planning, training, purchasing, overseeing commission-owned automobiles, duplicating, distributing mail, and leasing office space and equipment.

BUREAU OF FISCAL SERVICES

Staff members have continued to support the PSC through the routine activities of collecting revenues, processing invoices for payment, preparing employee payrolls, reimbursing travel expenses (statistics reflected below), and preparing legislative budget requests with appropriate fiscal analysis.

BUREAU OF PERSONNEL

In October 1990, the Department of Administration conducted its statewide Open Enrollment for Health and Life Insurance, as well as an open enrollment period for the Flexible Benefits Plan. The on-going State Health Insurance, Life Insurance, and Flexible Benefit Plans continue to be a major workload within the Bureau of Personnel.

During 1990, a total of 81 vacancies were advertised, by Job Opportunity Announcements and through the COPES system, to all Job Services' offices in the state. Of these vacancies, 62 were professional and 19 were clerical.

The commission's Sick Leave Pool presently has 234 members and a balance of 1,664.75 hours. During this year, there were two withdrawals of 102.75 hours.

The bureau has enhanced the Personnel Data System, a component of the PSC's in-house computer network system, to provide in-house telephone directories and health insurance plan information.

The commission's training programs for Calendar Year 1990 consisted of classes offered by the Department of Administration, in-house programs, and technical training.

During the year, the Department of Administration continued to offer training in a wide variety of areas, including written and oral communication workshops, mana-

Activity in the Major Functions of the Bureau of Fiscal Services

	1988	1989	1990
Number of Invoices Processed	2,154	2,152	3,005
Travel Vouchers	2,160	2,737	2,090
Professional and Technical Service Consultant Contracts	4	2	7
Payroll Change Orders Processed	1,861	1,827	1,538

Regulatory Trust Fund
Appropriations 1979-90

FISCAL YEAR	APPROPRIATION POSITIONS	APPROPRIATION AMOUNT
1980-81	361	$10,249,676*
1981-82	322	12,124,437**
1982-83	332	11,287,379
1983-84	336	13,700,825
1984-85	346	13,788,347
1985-86	346	14,697,776
1986-87	358	15,327,827
1987-88	364	16,355,837
1988-89	367	17,531,244
1989-90	376	19,108,275
1990-91	379	19,685,459

Note: Amounts reflect the commission's actual appropriation, except for the two years explained by footnotes.

* Reflects transfers of transportation positions and budget to the Department of Transportation.

** Reflects reduction of positions and budget resulting from Sunset review by the Legislature.

Regulatory Trust Fund Revenues
Fiscal Year Ended June 30, 1990

Utility Filing Fees	$111,950
Utility Regulatory Assessment Fees	18,884,898
Miscellaneous Revenues	*167,892
Refunds and Cancellations	12,954
Interest Income	1,726,400
Total	**$20,904,094**

*Includes Recording Fees

gerial and supervisory programs, and professional growth and computer training, in which commission employees participated. Areas of special interest this year were the Introduction and Advance WordPerfect training and supervisory programs.

The commission sponsored in-house training which consisted of CPR, Basic English Skills, and Attendance and Leave courses for all interested employees. The first PRE-PURC seminar was held this year in Gainesville, Florida, and was well received. A Management Training Seminar was held at Wakulla Springs for top management, and plans for making this an annual event were discussed.

Workshops and seminars related to the technical aspects of utility regulation and cross-training between divisions and disciplines were attended by technical employees.

BUREAU OF GENERAL SUPPORT SERVICES

During 1990, the Bureau of General Support Services completed automation of fleet management, allowing more accurate and timely monitoring of PSC vehicle cost and usage. The program developed by the Division of Information Processing has already proven to be very useful.

The Miami District Office was relocated during 1990, and the move was very successful, resulting in both an improved office environment and a substantially lower rental cost. We hope the new location will be "home" to the Miami staff for years to come.

Summary of Personnel Actions

	1988	1989	1990
New Employees	46	62	59
Terminations	39	59	40
Retirements	2	1	3
Promotions	63	83	59
Pay Adjustments, Merits, and Discretionary Increases	515	81	385
Reassignments	12	17	9
Others*	542	616	709
TOTAL	1,219	919	1,264
Classification Actions	73	112	91
Up-to-Date Position Descriptions	33	32	24
TOTAL	106	144	115

*Includes demotions, status changes, leave with/without pay, et cetera

Also, during 1990, the commission's facsimile operation was relocated to the printshop, where it has become a part of the mail operation. This arrangement allows for quick turn-around of facsimile transmissions and convenient internal distribution of incoming fax mail.

In the purchasing area, contracts for office supplies and for laser printer toner cartridges (new and recharged) were established, reducing both administrative costs and the price of commodities. ◆

Summary of the
Bureau of General Support Services' Workload

	1988	1989	1990
Invoices Verified	479	414	417
Purchase Orders Issued	1,722	1,730	1,535
Special Orders Processed	1,827	1,816	1,940
Photocopy Requisitions Processed	3,814	3,702	3,707
Copies Produced (Print Shop)	3,977,211	4,451,480	4,510,532
Copies Produced (Convenience Copier)	4,341,361	4,641,191	4,970,156
Pieces of Outgoing Regular Mail Processed	175,158	173,417	187,155
Postage Used (Meter)	$67,733	$62,246	$70,630
Supply Requisitions Filled	730	747	695
Messenger Runs	917	825	805

Division of Consumer Affairs

GEORGE HANNA, DIRECTOR

The Division of Consumer Affairs has the primary responsibility for consumer complaints, issuing news releases concerning commission decisions and studies, preparing statistical summaries on consumer complaint activity, developing educational presentations for consumer and civic organizations, preparing testimony for rate cases on complaint activity, and participating in or initiating other dockets on consumer matters.

COMPLAINT ACTIVITY

The Division of Consumer Affairs received 35,767 complaints from customers during 1990, down slightly from the 37,981 complaints handled in 1989. Of these complaints, 5,588 were logged against regulated utilities and investigated.

Included in the total complaint activity are 1,859 letters to which division personnel responded with information to consumers about commission activities and regulations, an increase of 24% in informational correspondence.

Savings to customers as a result of Consumer Affairs action on complaints totaled $637,143 in 1990, the highest annual savings recorded. More than $2.5 million has been refunded to customers or credited to their accounts as a result of Consumer Affairs action on complaints during the eight years this figure has been tracked.

The 1990 savings included $82,374 for electric customers, $540,365 for telephone customers, $1,618 for gas customers and $12,786 for water and sewer customers.

According to the Division of Consumer Affairs, 49 percent of the complaints received were against two of the largest companies, Florida Power and Light Company and Southern Bell Telephone and Telegraph Company. Other telephone and electric complaints accounted for another 41 percent of the complaint activity. Eight percent of the logged complaints were against water and sewer companies, and 2 percent were against gas utilities.

In 1990, Florida Power and Light was the only electric company to have an increase in complaints, with a 2 percent increase. Gulf Power Company had the largest decrease, with a 21 percent reduction from 1989. Florida Power Corporation and Tampa Electric each had a 2 percent decline in the number of complaints.

In 1990, there were 818 complaints logged against FP&L compared to 805 in 1989. Florida Power Corporation had 261 complaints filed compared to 266 in 1989, while Gulf Power Company had 60 complaints logged in 1990, compared to 76 in 1989. TECO had 136 cases compared to 139 the previous year.

Complaint levels for the local exchange telephone companies in 1990 decreased for almost all companies, with a 6 percent reduction in complaints for the industry. However, the telephone industry continued to make up the largest percentage of total complaints handled, with 67 percent of the total number of complaints filed involving telephone billing or service.

Of the major local exchange companies, GTE had a 16 percent decrease in complaint activity from 1989 levels, Central Telephone had an 11 percent decrease, and United Telephone showed a 10 percent de-

crease. Southern Bell complaints showed a slight decline of one percent.

Gulf Telephone and Vista United Telephone Company were the only local companies for which no complaints were logged during 1990. However, Florala, Indiantown and, Northeast Florida Telephone had no justified complaints for the year.

Long distance company complaints decreased by 10 percent during the year, while complaints against independent pay telephone providers increased 7 percent.

During 1990, the Division of Consumer Affairs received 15 requests for informal conferences on complaints in which customers were not satisfied with the division's initial determination. Of these, 11 were settled during informal conference procedures, and one by proposed agency action order. Three cases were still pending as of January 31, 1991. No formal hearings were required on the 1990 conference requests.

The division continued its telephone training program for new PSC employees. In 1990, 29 people worked 140 days in the Division of Consumer Affairs responding to customer complaints.

The Division of Consumer Affairs Complaint Section was singled out in 1990 for one of the coveted Davis Productivity Awards. A joint project of Florida's State Government, the business association Florida Council of 100 and Florida Tax Watch, the Davis Productivity Awards program recognizes the so-called unsung heroes of state government.

The complaint section, in fiscal year 1989-90, handled 18 percent more complaints than the previous fiscal year, and refunds and credits to consumers increased to $467,312 in 1989-90 compared to $269,706 the previous year.

PUBLIC INFORMATION OFFICE

The Public Information Office continued to compile and disseminate news releases and information about the regulatory decisions of the commission to the various members of the media; utility customers; offices with local, state and federal governments; other state agencies. The responsibilities of the Public Information Office fall primarily into two broad categories: Media Relations and Consumer Information.

Media Relations

The Public Information Office distributes timely news releases to the media, provides the media with information about regulatory decisions, meetings, copies of upcoming PSC Agenda items, staff recommendations, and commission orders. It also sends weekly bulletins to the Capitol Press Corp, as well as media kits to all major newspapers in Florida so editors will have current files on commissioners. The Public Information Office also schedules visits by commissioners to various media editorial board meetings to discuss issues and answer questions of current interest.

Consumer Information

Since the commission represents all aspects of public interest in utility regulation, one of the PSC's main goals is to help inform consumers of their rights and of the services, programs, and options available to them.

Public Information -- The Public Information Office develops pamphlets, brochures, booklets, and reports for the thousands of consumers in Florida. It also produces *From the PSC Agenda*, a monthly

consumer publication which is distributed to consumer organizations throughout the state, as well as members of the media, legislators, and key officials in city and county government. In addition, staff works with the Governor's Energy Office to develop and distribute materials on energy conservation.

PSC Speakers Bureau -- The Public Information Office coordinates the speakers bureau in an effort to provide civic and service clubs, schools, and business organizations throughout Florida with speakers who are trained and knowledgeable on a number of subjects, including utility service costs, the evolution and purpose of the PSC, rate cases, deregulation, conservation, and other consumer issues.

Educational Display -- The Public Information Office has developed an educational display unit, which is exhibited at various community events and conventions throughout the state. The exhibit is staffed by PSC attendants who distribute informational materials to consumers and answer questions. ◆

1990
Division of Consumer Affairs Complaint Activity

Electric Industry

	Complaints Logged In 1990				Complaints Closed in 1990			
					Justification			Percent
	Service	Billing	Total	Major Type	Yes	No	Some	Justified
Florida Power	150	111	261	High Bill	23	185	68	8%
FPL	426	392	818	High Bill	191	485	186	22%
FPUC	3	3	6	Misc. Service	2	6	0	25%
Gulf Power	34	26	60	Misc. Service	6	52	5	10%
Tampa Electric	52	84	136	High Bill	21	84	35	15%
Industry Total	665	616	1281	High Bill	243	812	294	18%

	1990 Total Received	Percent Change From '89	Complaints Per 1000 Customers	Justified Per 1000 Customers
Florida Power	261	-2%	0.260	0.023
FPL	818	2%	0.295	0.069
FPUC	6	0%	0.351	0.117
Gulf Power	60	-21%	0.239	0.024
Tampa Electric	136	-2%	0.341	0.053
Industry Total	1281	-1%	0.289	0.055

1990

Division of Consumer Affairs Complaint Activity

Gas Industry

	Complaints Logged In 1990				Complaints Closed In 1990			
					Justification			Percent
	Service	Billing	Total	Major Type	Yes	No	Some	Justified
Central Florida	0	2	2	Misc. Billing	0	1	0	0%
City Gas	20	21	41	Imp. Rates Applied	18	7	13	47%
FPUC	7	5	12	Misc. Service	6	6	1	46%
Miller	0	2	2	Misc. Billing	1	1	0	50%
Peoples	29	26	55	Improper Disconnect	16	22	17	29%
St. Joe	1	0	1	Improper Disconnect	0	1	0	0%
South Florida	0	2	2	Misc. Billing	0	2	0	0%
West Florida	4	16	20	High Bill	8	11	2	38%
Industry Total	61	74	135	High Bill	49	51	33	37%

[Continued on Next Page]

1990
Division of Consumer Affairs Complaint Activity

Gas Industry

	1990 Total Received	Percent Change From '89	Complaints Per 1000 Customers	Justified Per 1000 Customers
Central Florida	2	- 67%	0.337	0.000
City Gas	41	37%	0.547	0.240
FPUC	12	9%	0.381	0.190
Miller	2		0.451	0.225
Peoples	55	4%	0.363	0.106
St. Joe	1	0%	0.392	0.000
South Florida	2	100%	0.615	0.000
West Florida	20	25%	1.077	0.431
Industry Total	135	8%	0.449	0.163

1990
Division of Consumer Affairs Complaint Activity

Telephone Industry

	Complaints Logged in 1990				Complaints Closed in 1990			
					Justification			Percent
	Service	Billing	Total	Major Type	Yes	No	Some	Justified
ALLTEL	35	9	44	Misc. Service	22	11	12	49%
Centel	77	48	125	Cont. Service Prob.	64	47	27	46%
Florala	2	0	2	Misc. Service	0	3	0	0%
GTE	236	126	362	Cont. Service Prob.	121	177	75	32%
Gulf Telephone	0	0	0	- - -	0	0	0	0%
Indiantown	1	0	1	Misc. Service	0	1	0	0%
Long Distance	494	364	858	Carrier Change	493	192	122	61%
N. E. Florida	3	2	5	Misc. Service	0	3	2	0%
Pay Telephone	141	30	171	Coin Phone Stan.	115	41	25	64%
Quincy	3	3	6	Miscellaneous	1	5	0	17%
St. Joseph	15	0	15	Misc. Service	3	7	4	21%
Southern Bell	1529	383	1912	Delay Connect	719	679	513	38%
Southland	3	1	4	Misc. Service	2	2	0	50%
United	166	61	227	Improper Disc.	61	96	65	27%
Vista-United	0	0	0	- - -	0	0	0	0%
INDUSTRY TOTAL	2705	1027	3732	Delay Connect	1601	1264	845	43%

1990
Division of Consumer Affairs Complaint Activity

Telephone Industry

	1990 Total Received	Percent Change From '89	Complaints Per 1000 Customers	Justified Per 1000 Customers
ALLTEL	44	- 17%	0.876	0.438
Centel	125	- 11%	0.476	0.244
Florala	2	- 71%	1.206	0.000
GTE	362	- 16%	0.222	0.074
Gulf Telephone	0	-100%	0.000	0.000
Indiantown	1	- 80%	0.430	0.000
Long Distance	858	- 10%	-	-
N.E. Florida	5	150%	0.944	0.000
Pay Telephone	171	7%	-	-
Quincy	6	200%	0.716	0.119
St. Joseph	15	- 6%	0.714	0.143
Southern Bell	1912	- 1%	0.450	0.169
Southland	4		1.363	0.682
United	227	- 10%	0.226	0.055
Vista-United	0	- 100%	0.000	0.000
Industry Total	**3732**	**- 6%**	**0.373**	**0.136**

1990

Division of Consumer Affairs Complaint Activity

Pay Telephone Industry

Company	Service	Billing	Total	Major Type	Justification For Cases Received and Closed				
					Yes	No	Some	% Justified	% Late Responses
2001 Telecommunications	1	0	1	Coin Phone Standards	1	0	0	100%	0%
ADTEC Communications	2	0	2	Misc. Service	0	1	0	0%	100%
Advance Payphone	1	1	2	Miscellaneous	2	0	0	100%	50%
American Payphones	2	0	2	Coin Phone Standards	1	1	0	50%	0%
Avantient of Pasco	2	0	2	Coin Phone Standards	1	1	0	50%	100%
Calico Jack's Florida	1	0	1	Coin Phone Standards	1	0	0	100%	0%
Carey Communications Corp.	5	0	5	Equal Access Problem	2	2	1	40%	20%
Carwell	0	1	1	Delay Refund/Credit	1	0	0	100%	0%
Chuck Gilbert	1	0	1	Coin Phone Standards	0	1	0	0%	100%
Coin-Tel International	1	0	1	Coin Phone Standards	1	0	0	100%	0%
Commonwealth Telephone Corp.	2	0	2	Misc. Service	2	0	0	100%	100%
Communications Central	3	1	4	Coin Phone Standards	3	0	0	100%	67%
Continental Pay-Tel	1	0	1	Coin Phone Standards	1	0	0	100%	100%
D/H Oil	1	0	1	Coin Phone Standards	0	0	1	0%	0%
Damman International Corp.	0	2	2	Misc. Billing	2	0	0	100%	100%
Equal Access Corp.	0	1	1	Credit Card/Collect	1	0	0	100%	100%
Executone Information Sys.	1	0	1	Coin Phone Standards					
First American Pay Telephone	1	0	1	Coin Phone Standards	0	1	0	0%	0%
First American Payphone	1	0	1	Coin Phone Standards	1	0	0	100%	100%
Florida First Phones	4	0	4	Equal Access Problem	3	1	0	75%	50%
Florida Public Communications	2	0	2	Misc. Service	0	1	0	0%	100%
Florida Public Telephone	4	0	4	Misc. Service	1	3	0	25%	0%
Florida Telco	1	0	1	Equal Access Problem	1	0	0	100%	0%
Florida Telephone & Telegraph	1	0	1	Equal Access Problem	1	0	0	100%	100%
Florida Telesystems	2	3	5	Delay Refund/Credit	4	1	0	80%	20%
Fuqua & Davis Corp.	1	0	1	Coin Phone Standards	1	0	0	100%	100%
George W. Garbutt	2	0	2	Misc. Service	1	0	0	100%	0%
Imron Network	1	0	1	Coin Phone Service	1	0	0	100%	0%
Intech Systems	1	0	1	Coin Phone Standards	0	1	0	0%	0%
International Tele-Coin Co	17	2	19	Coin Phone Standards	11	3	3	65%	59%
Jane H. Adler	1	0	1	Coin Phone Standards	0	1	0	0%	0%
KL Industries	1	0	1	Coin Phone Standards	1	0	0	100%	0%
London Communications	1	0	1	Coin Phone Standards	0	0	1	0%	100%
M J Communications	1	0	1	Misc. Service					
Northern Florida Telephone	1	0	1	Coin Phone Standards	1	0	0	100%	100%
Own Your Own	1	0	1	Coin Phone Standards	1	0	0	100%	0%
Palm Beach Telephone	1	0	1	Coin Phone Standards					
Paramount Communications	1	1	2	Miscellaneous	2	0	0	100%	0%
Payphone Service Co.	3	0	3	Cont. Service Prob.	2	0	1	67%	100%
Peoples Telephone Co.	22	8	30	Equal Access Prob.	14	9	5	50%	32%
Phonetel Systems of FL	6	0	6	Coin Phone Standards	3	3	0	50%	33%
Private Coin-Phone	1	1	2	Miscellaneous	1	0	0	100%	100%
Rex Telecommunications	1	0	1	Equal Access Problem	1	0	0	100%	100%
Rite Line Communications	1	0	1	Coin Phone Standards	0	0	1	0%	0%
South Florida Telecomm.	2	0	2	Coin Phone Standards					
Southeast Pay Telephone	1	1	2	Miscellaneous	1	0	0	100%	0%
Southern Payphones	1	0	1	Coin Phone Standards	1	0	0	100%	0%
Southernnet	2	0	2	Misc. Service	1	0	0	100%	100%
Ted Odder	1	1	2	Miscellaneous	0	1	0	0%	100%
Telaleasing Enterprises	4	1	5	Coin Phone Standards	5	0	0	100%	40%
Telephone Operating Sys.	6	0	6	Coin Phone Standards	4	1	1	67%	50%
Telpac Systems	2	0	2	Misc. Service	1	0	0	100%	100%
Telso	6	2	8	Coin Phone Standards	4	2	0	57%	0%
Trident Telecomm. System	1	0	1	Coin Phone Standards	1	0	0	100%	100%
U. S. Communications	8	2	10	Equal Access Problem	4	3	2	44%	56%
United States Public	3	1	4	Coin Phone Standards	3	1	0	75%	75%
Venture South Marketing	0	1	1	Billed Incomp. Calls	1	0	0	100%	100%
INDUSTRY TOTAL	141	30	171	Coin Phone Standards	96	38	17	64%	44%

1990

Division of Consumer Affairs Complaint Activity

Long Distance Industry

Company	Service	Billing	Total	Major Type	% Change From In 1989	Justification for Cases Received and Closed: Yes	No	Some	% Justified	% Late Responses
Allnet Comm. Service	9	0	9	Carrier Change	800%	8	1	0	89%	33%
American Network Exchange	7	1	8	Carrier Change	300%	6	0	0	100%	50%
Ascom Telenetwork	1	0	1	Cont. Service Pro.	-	0	1	0	0%	0%
AT&T Communications	52	93	145	Denied Calls	(17%)	64	47	20	49%	— 2%
ATC Long Distance	22	17	39	Carrier Change	-	20	6	7	61%	48%
Biz-Tel	10	4	14	Miscellaneous	100%	9	2	0	82%	9%
Cable & Wireless	1	0	1	Toll Call Service	(50%)	0	1	0	0%	100%
Card Tel	1	0	1	Equal Access Problem	-	0	1	0	0%	0%
Centel Net	2	0	2	Miscellaneous	-	2	0	0	100%	0%
Comcentral	1	1	2	Miscellaneous	100%	2	0	0	100%	50%
Continental Motel	1	0	1	Operator Services	-					
Fox Communications	0	1	1	Misc. Toll Billing	-					
Integretel	1	16	17	Denied Calls	-	4	2	1	57%	100%
Intellicall Operator Service	1	0	1	Equal Access Problem	-	0	1	0	0%	0%
International Telecharge	15	9	24	Equal Access Problem	(73%)	11	8	4	48%	74%
ITT Chernow Comm.	1	0	1	Equal Access Problem	-	0	1	0	0%	100%
ITT Comm. Services	1	0	1	Carrier Change	(89%)	1	0	0	100%	100%
MCI	163	53	216	Carrier Change	145%	80	45	27	53%	55%
Metromedia Long Distance	4	6	10	Misc. Billing	150%	5	3	0	63%	63%
Microtel	12	12	24	Carrier Change	85%	19	3	1	83%	43%
National Billing Systems	0	1	1	Alter. Oper. Service	-	1	0	0	100%	100%
National Telephone Services	7	8	15	Miscellaneous Billing	(70%)	8	4	2	57%	57%
NCN	1	0	1	Marketing	-	1	0	0	100%	0%
OAN	1	6	7	Alter. Oper. Service	-	4	2	0	67%	67%
OB Ventures	0	1	1	Delay Refund/Credit	-	1	0	0	100%	100%
Opticom	1	0	1	Carrier Change	-					
Point South Condominiums	1	0	1	Operator Services	-					
Roadway Inn	1	0	1	Operator Services	-					
South Tel	7	5	12	Carrier Change	71%	7	2	3	58%	33%
Southernnet Systems	5	5	10	Carrier Change	(29%)	8	2	0	80%	70%
Star Line	0	1	1	Misc. Billing	-	1	0	0	100%	100%
Suntel	2	0	2	Misc. Service	-	2	0	0	100%	50%
Telecom Xpress	0	1	1	Collection Agency	-	0	1	0	0%	0%
Telesphere Network	8	11	19	976 or 900	72%	7	4	2	54%	77%
Telus	12	29	41	Billed Incom. Calls	(62%)	26	9	6	63%	68%
Touch 1 Long Distance	10	1	11	Carrier Change	1000%	1	6	1	75%	38%
Touchtone Comm.	1	0	1	Misc. Service	-	0	0	1	0%	0%
Transcall America	0	1	1	Misc. Billing	-	1	0	0	100%	100%
U. S. Sprint	122	74	196	Carrier Change	(44%)	115	33	33	64%	16%
United Telephone Long	9	5	14	Carrier Change	55%	8	1	0	89%	11%
University of Florida	1	0	1	Operator Services	-					
Zero Plus Dialing	0	2	2	Credit Card/Collect	-	2	0	0	100%	0%
INDUSTRY TOTAL	494	364	858	Carrier Change	-10%	429	181	108	60%	35%

() denotes decrease

1990
Division of Consumer Affairs Complaint Activity

Water & Sewer Industry

Company	Service	Billing	Total	Major Type	Justification For Cases Received and Closed				
					Yes	No	Some	% Justified	% Late Responses
Airport Road Development	1	0	1	Cont. Service Pro.	1	0	0	100%	0%
Aloha Utilities	8	6	14	Water Quality	7	5	1	54%	69%
Atlantic Utilities	0	1	1	Reconnect Charge	0	1	0	0%	0%
Beauclerc Utilities Co.	2	0	2	Misc. Service	0	2	0	0%	0%
Betmar Utilities	1	0	1	Water Quality	0	1	0	0%	100%
Blanton Lake Park	1	1	2	Miscellaneous	2	0	0	100%	100%
Broadview Park Water	2	5	7	High Bill	1	4	2	14%	43%
C. C. T.	1	0	1	Sewage Service	1	0	0	100%	100%
Canal Utilities	2	0	2	Misc. Service	0	1	1	0%	0%
Century Utilities	2	9	11	High Bill	0	9	0	0%	33%
Cinnamon Ridge Utilities	0	2	2	Misc. Billing	1	0	0	100%	0%
Citrus Springs Utilities	0	1	1	Agreement Broken	1	0	0	100%	0%
Clay Utility Company	1	1	2	Miscellaneous	2	0	0	100%	50%
College Manor Water	1	0	1	Business Office Pro.	0	0	1	0%	0%
Consolidated Waterworks	14	0	14	Misc. Service	12	0	2	86%	43%
Decca Utilities	2	0	2	Misc Service	0	1	1	0%	100%
Deltona Lakes Utilities	2	5	7	Misc Billing	2	5	0	29%	0%
Econ Utility Corp.	1	0	1	Misc. Service	1	0	0	100%	0%
Ferncrest Utilities	2	4	6	High Bill	1	4	1	17%	100%
Floralino Properties	1	2	3	Misc. Billing	1	1	1	33%	67%
Florida Cities Water	12	4	16	Improper Disconnect	2	12	2	13%	31%
Forest Hills Utilities	1	2	3	Misc. Billing	0	1	1	0%	50%
General Development	7	16	23	Misc Billing	4	11	7	18%	14%
Gulf Utility Company	2	2	4	Miscellaneous	2	2	0	50%	0%
Harbor Utilities	1	0	1	Safety Concerns	0	1	0	0%	0%
Heartland Utilities	1	0	1	Water Pressure	1	0	0	100%	0%
Hudson Utilities	2	3	5	Misc. Billing	4	0	1	80%	20%
Hydratech Utilities	1	6	7	Misc. Billing	1	5	0	17%	0%
Indiantown Company	0	1	1	High Bill	0	1	0	0%	0%
J. Swiderski Utilities	1	0	1	Improper Disconect	0	1	0	0%	100%
Jacksonville Suburban	8	4	12	Misc. Service	2	6	1	22%	33%
Kings Point Utilities	0	1	1	Billing Wrong Cust.	1	0	0	100%	100%
Kingsley Service Co.	2	1	3	Misc. Service	1	2	0	33%	0%
LWV Utilities	0	1	1	Paymt. Not Credited	0	1	0	0%	0%
L. C. M. Sewer	1	0	1	Sewage Service	1	0	0	100%	0%
Lake Josephine Water	0	1	1	Misc. Service Charge	0	1	0	0%	0%
Lake Osborne Utilities	0	1	1	Paymt. Not Credited	1	0	0	100%	0%
Lake Tarpon Homes	0	2	2	Misc. Service Charge	0	1	1	0%	0%
Lake Utilities	2	0	2	Misc. Service	2	0	0	100%	0%
Lake Utility Services	1	0	1	Improper Disconnect	0	0	1	0%	0%
Lehigh Utilities	2	3	5	Miscellaneous	0	1	1	50%	0%
Lighthouse Utilities Co.	0	1	1	Misc. Service Charge	0	1	0	0%	0%
Lindrick Service Corp.	3	0	3	Misc. Service	0	2	1	0%	33%
Longwood Utilities	9	1	10	Sewage	1	4	5	10%	0%
Mad Hatter Utility	1	0	1	Misc. Service	0	1	0	0%	0%
Magnolia Manor Water	0	4	4	High Bill	1	1	2	25%	75%
Marco Island Utilities	0	5	5	Improper Cut Notice	4	0	0	100%	0%
Marco Shores Utilities	0	1	1	High Bill	0	0	1	0%	0%
Marion Utilities	2	2	4	Miscellaneous	0	2	1	0%	67%
Martin Downs Utilities	2	1	3	Water Quality	0	3	0	0%	0%
North Fort Myers	0	1	1	Paymt. Not Credited	0	0	1	0%	0%
Ocala Oaks Utilities	1	0	1	Improper Disconnect	0	1	0	0%	0%
Ocean City Utilities	0	1	1	Misc. Billing	0	1	0	0%	100%
Orange Osceola Utilities	5	11	16	Misc. Billing	6	10	0	38%	19%
Ortega Utility Company	1	0	1	Improper Disconnect	0	1	0	0%	0%
Palm Coast Utility	11	2	13	High Bill	1	7	1	11%	44%
Park Manor Waterworks	1	2	3	High Bill	0	3	0	0%	33%
Pasco Utilities	0	1	1	High Bill					
Pine Island Utility	4	0	4	Water Quality	0	3	0	0%	67%
Pine Ridge Utilities	1	0	1	Water Leak	1	0	0	100%	100%
Placid Lakes Utilities	2	0	2	Misc. Service	1	0	0	100%	0%
Placid Utilities Co.	1	0	1	Water Quality	0	1	0	0%	100%
Rainbow Springs Utilities	0	1	1	High Bill					

1990

Division of Consumer Affairs Complaint Activity

Water & Sewer Industry

Company	Service	Billing	Total	Major Type	Justification For Cases Received and Closed: Yes	No	Some	% Justified	% Late Responses
Rolling Oaks Utilities	0	1	1	Billing Wrong Cust.	1	0	0	100%	0%
SH Utilities	0	1	1	Billing Wrong Cust.	1	0	0	100%	0%
Sanlando Utilities	0	3	3	High Bill	0	1	1	0%	0%
Sebring Ridge Utilities	0	1	1	Estimated Bills	1	0	0	100%	0%
Seminole Utility Company	1	1	2	Miscellaneous	0	2	0	0%	0%
Shadowrock Utilities	1	1	2	Miscellaneous	0	2	0	0%	50%
South Broward Utility	0	1	1	High Bill	0	0	1	0%	0%
Southeastern States	1	0	1	Frequent Outages	0	1	0	0%	0%
Southern Cassadaga	0	1	1	Misc. Billing	0	1	0	0%	0%
Southern States Utilities	41	35	76	Water Pressure	25	26	20	35%	52%
Sportman's Harbor Utilities	2	0	2	Water Leak	1	0	0	100%	100%
Spring Hill Utilities	4	21	25	Misc. Billing	4	14	5	17%	35%
Springs Plaza Sewer	0	1	1	Misc. Billing	0	1	0	0%	100%
St. George Island	45	7	52	Service Outage	38	8	3	78%	39%
Sunbelt Utilities	1	0	1	Improper Disconnect	0	1	0	0%	100%
Sunshine Utilities	3	2	5	Water Quality	1	3	0	25%	50%
Tamiami Village Utility	0	1	1	Not Receiving Bills	0	0	1	0%	0%
Tomoka Water Works	1	0	1	Water Quality	0	1	0	0%	100%
Tradewinds Utilities	1	1	2	Miscellaneous	1	1	0	50%	0%
Treasure Cove Water	1	0	1	Water Quality	1	0	0	100%	0%
U.S.A. Utilities	1	0	1	Water Quality	1	0	0	100%	0%
Utilities, Inc. of Florida	2	4	6	High Bill	0	3	3	0%	20%
Virginia City	0	1	1	Billing Wrong Cust.	0	1	0	0%	0%
INDUSTRY TOTAL	237	203	440	High Bill	145	187	71	36%	35%

Division of Information Processing

MARGARET FEASTER, DIRECTOR

The Division of Information Processing is responsible for the coordination of the computer, word processing, and data requirements of the commission. The division provides technical support to the commission staff in developing, selecting, and maintaining computerized applications, software, microcomputer systems, and word processing systems and provides training for the commission staff in their use.

The commission's network continued to grow in both size and capabilities during 1990, going from 163 micros and 66 word processing stations to 237 micros and 68 word processing stations, with 28 micros in the field for the on-site audit program. This means that even more of the professional and clerical staff have access to shared word processing, spreadsheeting, graphics, and network data base applications. More printers were put in place bringing the commission totals to 66 micro printers, with 20 dedicated to word processing.

The three field offices were also equipped with upgraded micro-based word processing and laser printers. New network hardware installed includes a very large disk storage subsystem that operates in a "mirrored" fashion, a faster and more sophisticated main file server, an uninterruptible power supply, additional "repeaters," and new print servers to support the heavy printing load.

All the major applications have now been converted from running on the CDC mainframe located at Florida State University to run in a microcomputer-based environment. We will continue to use FSUCC to download large data files when necessary, and to keep up a few small applications where we need specialized peripherals, and will still use the large IBM mainframe at Northwest Regional Data Center for utility audit purposes.

We will also continue to use outside reference services such as WESTLAW and PHINET. The capabilities of the micro network have increased to such an extent that almost any application that the commission needs can now be programmed on it without going to outside services. There are three additional subsystems in-house: one is the WANG VS minicomputer; one is the desktop publishing system; and one is the Computer-Aided Transcription (CAT) system. All of these are connected to the network. To facilitate communications, the WANG VS was upgraded to a model 75E and the number of simultaneous micro-network-to-WANG connections was raised to 24.

One of the most significant efforts of the year was to replace the WANG word processing network of minicomputers and dedicated WANG stations and printers with Local Area Network and micro based WordPerfect word processing. This effort required a lot of new training, helping the divisions convert their existing WANG glossaries to WordPerfect macros, writing many new WordPerfect macros, and testing and implementing auxiliary software such as file format conversion utilities and the Grammatik syntax checker. The additional features and functionality really are paying off in productivity and quality of

output. Now we have many useful global options such as standard letterhead and memos using the state seal, pulling mailing lists from the Master Commission Directory database, and printing labels on the laser printers with WordPerfect using those extracted lists.

The number and scope of networked applications has grown, so a new level of the Network Operating System had to be implemented. Most of the programming done this year was on enhancements to our existing systems - Case Management, the Master Commission Directory, Travel, the Regulatory Assessment Fee system, the Personnel Database System, Audit Tracking, Fleet Management, Copier Cost, Rate of Return, etc. Another major portion of our efforts went into supporting packaged applications like Lotus, the MapInfo geographic information system, the PageMaker desktop publishing system, the PROCOMM network communications software, the SaberMeter software utilization control utility, ORGCHART, WINDOWS, PRODIGY, network backup software, and the Computer Aided Transcription system.

Network management will continue to occupy a large share of DIP time -- implementing new hardware to accommodate expansion and greater demand for fast response time, backing up and recovering files, diagnosing hardware and operating system failures, managing security, researching new hardware and software to support new features such as imaging, field office dial-in, etc.

A few completely new applications and features were created this year -- the Executive Case Management system, new network commands, and automatic printer selection. The balance of the year has been spent evaluating imaging systems, replacing the Computer Aided Transcription system, and upgrading the desktop publishing and geographic information systems. ◆

Division of Records & Reporting

STEVE TRIBBLE, DIRECTOR

The Division of Records and Reporting receives and processes all official documents in proceedings before the commission and is the custodian of the official records of the commission. In addition, the division maintains a permanent record of commission proceedings, records the minutes and formal decisions of the commission, issues notices of all hearings, arranges hearing sites, issues all orders, and prepares the agendas for commission conferences.

Additionally, this division coordinates the commission's Records Management program, maintains confidential document files and controls, publishes supplements to the commission's rules, maintains the Central Directory of Utilities, and performs the function of Case Manager by maintaining and monitoring records of case schedules, and providing management reports regarding the progress of cases before the commission.

In 1990, 11,433 documents were received in the division, recorded in the computerized Case Management System, and distributed. 1,025 dockets were opened during the year, and 987 were closed. 522 dockets remained open at the end of the year. The division issued 1,658 orders and 127 notices during 1990.

As anticipated, the filing of several major rate cases and similar dockets resulted in increased activity during the year. At the same time, however, PATS docket activity decreased, with fewer applications and cancellations filed in 1990. Thus, fewer dockets were opened in 1990 than in 1989, but overall docket activity remained high. A listing of Case Activity Statistics for the year follows this page.

Agendas and commissioners' working files were prepared for 36 commission conferences in 1990. Ten of those agendas were for "special" conferences dealing with just one major docket. The division coordinated and attended 133 hearings in Tallahassee or throughout Florida during the year, resulting in the preparation of 42,228 pages of transcripts by the Bureau of Reporting.

During the latter part of 1990, Records and Reporting began working with the Division of Information Processing to develop a new method of document recordkeeping and maintenance, in the field of optical imaging. Optical imaging allows a document to be copied into the computer's records, thus making it available for call-up, review, and printing out by staff persons at their terminals. It is anticipated that optical imaging will cut greatly the amount of paper currently handled by the commission, and that it will more rapidly place filings at commissioners' and staff's disposal. When optical imaging becomes available, it will be possible to review actual documents from a docket file on screen, and to print copies of those documents for further use. Optical imaging is expected, over time, to radically change the division's methods of records handling and permanent retention. ◆

January 1990 - December 1990
Division of Records and Reporting

Case Activity Statistics

End of - ->	JAN 1990	FEB 1990	MAR 1990	APR 1990	MAY 1990	JUN 1990	JUL 1990	AUG 1990	SEP 1990	OCT 1990	NOV 1990	DEC 1990
All Cases Beg. Pd.	478	477	497	497	511	613	617	598	507	484	515	525
New Cases	70	92	79	108	174	84	60	75	56	83	73	71
Resored Cases	0	0	0	0	3	0	0	0	0	1	0	2
Closed Cases	71	72	79	94	75	80	79	166	79	53	63	76
(Subtract)												
All Cases End Pd.	477	497	497	511	613	617	598	507	484	515	525	522
Active	421	442	443	466	564	569	552	464	444	477	482	475
Monitor	45	44	43	35	38	37	36	33	30	29	5	38
Litigation	11	11	11	10	11	11	10	10	10	9	8	9
Total All	477	497	497	511	613	617	598	507	484	515	525	522
Ages of Cases												
<6 months	262	289	301	317	396	411	391	283	258	269	284	281
6 months - 1 year	96	79	71	77	107	100	95	114	114	129	110	116
1 year - 2 years	67	74	70	63	55	54	60	59	60	62	73	74
2 years - 3 years	31	30	31	31	32	29	29	28	28	28	1	24
3 years - 4 years	10	15	12	13	11	12	12	12	13	15	15	16
4 years - 5 years	8	7	9	6	8	7	6	7	6	7	7	6
5 years - 6 years	1	1	1	3	3	3	4	3	4	4	4	4
6 years - 7 years	0	0	0	0	0	0	0	0	0	0	0	0
7 years - 8 years	1	1	1	0	0	0	0	0	0	0	0	0
>8 years	1	1	1	1	1	1	1	1	1	1	1	1
	477	497	497	511	613	617	598	507	484	515	525	522
Cases > 2 years old												
Active	30	32	31	30	30	28	29	30	33	34	36	28
Monitor	17	18	19	19	20	19	18	14	14	15	16	17
Litigation	5	5	5	5	5	5	5	5	5	6	6	6
Total ALL	52	55	55	54	55	52	52	52	52	55	58	51

General Counsel

Susan F. Clark

The General Counsel is the Florida Public Service Commission's chief legal counsel. She supervises the commission's legal personnel and is charged with the administration and the delegation of responsibilities to the Division of Legal Services and Division of Appeals. The General Counsel is responsible for seeing that the commission is advised as to the role and scope of its regulatory responsibilities; assisting the Executive Director in the coordination of interagency and legislative liaisons; and representing the commission before federal agencies.

Division of Appeals

The General Counsel's Division of Appeals has responsibility for providing indirect legal services and advice to the commissioners. It prepares notices, recommendations and orders; attends hearings; represents the commission before state and federal courts; promulgates rules and regulations; and acts as inter-agency and legislative liaison in cooperation with the executive director. The Division also provides legal services and advice to the Division of Administration on personnel, contractual and other administrative matters.

APPEALS

The Division of Appeals completed 18 appeals in 1990. Four involved water and wastewater utilities; eight involved the telecommunications industry; and, six involved electric utilities. Of the appeals completed, the courts affirmed the commission's orders in seven and reversed in two. In addition, the Florida Supreme Court also issued a favorable opinion in a prohibition proceeeding initiated by the commission. Eight appeals were voluntarily dismissed by the parties.

The courts ruled on a variety of regulatory issues in 1990, including a series of cases filed by the Public Counsel which contested the commission's tariff approval procedures. Public Counsel argued that, under the Administrative Procedure Act (APA), the commission was obligated to hold out the opportunity for hearing prior to implementing any rate change contained in proposed tariffs. In **Citizens of the State of Florida v. Michael McK. Wilson,** 568 So.2d 904 (Fla. 1990), the court concluded that the commission's practice of allowing rate changes to go into effect without hearing did not violate the APA. The court further concluded, however, that rate changes put into effect were interim in nature.

The rates became final only after the commission had held out the opportunity for hearing to substantially-affected persons and issued a final order. The court found no deficiency in the commission's practice of allowing challenges to implemented rates through the complaint process. The court applied this holding in two other cases of the same name found at 567 So.2d 889 and 569 So.2d 1268.

In **Citizens of the State of Florida v. Michael McK. Wilson**, 568 So.2d 1267 (Fla. 1990), Public Counsel argued that the commission was required to strictly apply the terms of its tax savings rule (Rule 25-14.003, F.A.C.) and should have ordered United Telephone Company to make a refund of $14,448,254 for 1988. The Supreme Court agreed with the commission's position that a 1987 reduction to United's access charges was a permanent decrease in United's revenues, which had the effect of eliminating the company's 1988 tax savings. The court upheld the commission's finding that the tax rule did not apply in these circumstances.

The commission successfully resolved an important jurisdictional question in its petition for writ of prohibition against the Circuit Court for the Sixth Judicial Circuit. In **Florida Public Service Commission v. Fred L. Bryson, Judge, et. al.**, 569 So.2d 1253 (Fla. 1990), the Supreme Court held that the circuit court did not have jurisdiction to enjoin the commission from consid-

ering a complaint that a management corporation had overcharged a condominium unit owner for gas and electricity. The court stated that the commission has the exclusive original authority to interpret the statutes that empower it, subject only to the review of the Supreme Court. The commission must be allowed to act when it has "at least a colorable claim" that the matter at issue falls within its exclusive jurisdiction as defined by statute. The circuit court does not have a concurrent or cumulative power of direct review of commission action. A direct appeal to the Supreme Court after the commission has acted is the proper vehicle to contest the commission's jurisdiction, not a collateral attack on that jurisdiction in circuit court.

Fourteen new appeals were filed in 1990. As of December 1990, 11 were still pending. The Division of Appeals is also representing the commission as Amicus Curiae in four other cases. Two cases involve federal antitrust litigation in U.S. District Court against electric utilities, and one is an appeal of a city's requirement that an electric utility place its lines underground at its own expense. The fourth case, **City Gas Company of Florida v. Consolidated Gas Company of Florida, Inc.**, Case No. 90-953, involves a writ of certorari to the United States Supreme Court. Petitioner City Gas seeks review of the U.S. Court of Appeals decision in **Consolidated Gas Co. of Florida, Inc. v. City Gas Co. of Fla.**, 912 F.2d 1262 (11th Cir. 1990) (en banc) which upheld the lower court's ruling that City Gas had violated antitrust laws in its dealings with Consolidated.

RULEMAKING

During 1990, the Division of Appeals completed 26 rulemaking projects. Of these, 21 were rule amendments, 4 were new rules, and 1 was a repeal.

In the area of electric and gas regulation, one of the more significant rule changes in 1990 was revision of Rules 25-17.082-.091, F.A.C., relating to cogenerators and small power producers. The new rules establish a statewide wholesale market for the energy and capacity produced by qualifying facilities (cogenerators and small power producers) to help defer or avoid additional generating capacity construction by Florida's electric utilities. Public utilities are required to negotiate in good faith with qualified facilities for the purchase of capacity and energy, and are required to provide energy and capacity transmission service.

The commission also adopted an emergency plan to be followed by Florida's electric utilities during emergency generating capacity shortfalls brought on by extreme hot or cold weather. The need for such a plan was recognized during the 1989 Christmas holidays, when cold weather usage of electricity caused generating capacity shortages and forced rotating blackouts. Rule 25-6.0183, F.A.C., was adopted to ensure coordinated statewide action and communication. Rules pertaining to electric utility and gas utility territorial agreements and disputes were adopted in 1990 and Rule 25-6.043, F.A.C., pertaining to the minimum filing requirements for investor-owned electric utilities, was revised and updated.

Regulatory assessment fees were raised for gas utilities and telecommunications companies. Rule 25-7.0131, F.A.C., was amended to increase the regulatory assessment fee rate for investor-owned gas utilities from .125 percent to .375 percent of intrastate revenues. The amendment also imposes a fee of .1919 percent of municipal

gas utility and gas district revenues to fund the commission's cost of safety regulation. Rule 25-4.0161, F.A.C., was amended to increase the regulatory assessment fee rate paid by telecommunications companies from .125 to .15 percent of operating revenues derived from intrastate business. The minimum annual fee was increased to $50.00, as required by the Legislature.

Rules were adopted regulating the provision of shared tenant telecommunication services (STS) that are furnished through a common switching or billing arrangement to commercial tenants in a single building. Rule 25-24.550-.587, F.A.C., codified existing regulatory requirements imposed on STS providers by commission order implementing s. 364.339, F.S.

The commission revised its water and wastewater certification rules to reflect changes made by the Legislature during its Sunset review of Chapter 367, Florida Statutes, and to codify improvements in the certification process. Rules 25-30.430-.442, F. A. C., the minimum filing requirements for rate applications for Class A, B, and C water and wastewater utilities, were also revised during 1990.

The commission substantially revised Rule 25-22.006, F. A. C., which sets out procedures for handling requests for confidential classification of documents. The rule defines the steps to be followed in determining which information is exempt from public inspection; establishes limits on the time material will be classified as confidential; and establishes a daily listing of requests to be maintained for public inspection by the commission's Division of Records and Reporting.

At the close of 1990, the Division of Appeals had 31 ongoing rulemaking projects.

FEDERAL STATE LIAISON ELECTRIC AND GAS/ WATER AND WASTEWATER

Section 366.015, Florida Statutes, directs the commission to provide for and maintain an interagency liaison with appropriate state and federal agencies in the interest of asserting the policy positions and information requirements of the commission. In keeping with this directive, the Division of Appeals, in 1990, monitored regulatory initiatives in the U.S. Congress, in the Federal Energy Regulatory Commission (FERC) and other agencies, such as the Department of Energy (DOE) and the Securities and Exchange Commission (SEC). The division also continued its role of assisting the commission in maintaining effective communication with and participation in the National Association of Regulatory Utility Commissioners (NARUC).

One of the more significant events on the federal level during 1990 was the passage of the new Clean Air Act. The act will have a major impact on Florida utilities and ratepayers. The Division of Appeals monitored and provided advice to the commission on legal issues arising under this complex legislation. The Division of Appeals also prepared comments on the SEC's rulemaking on utility diversification, and represented the commission's interests at the FERC in several cases, among them, the Florida Gas Transmission docket; the TECO Power Services docket; and the Southern Company dispatch methodology docket.

Of particular note was the TECO Power Services Corp./Tampa Electric Company case at FERC (Docket No. ER90-164-000). FERC originally rejected the power sales agreements submitted by the utility. Commission Chairman Michael McK. Wilson submitted comments which stated the com-

mission's concern that the FERC action would have an adverse effect on the commission's efforts to address critical capacity needs in Florida, and created a risk of imposing increased costs on Florida's ratepayers. The chairman pointed out that the commission had already determined there was a need for this additional capacity, through a hearing pursuant to the Electrical Power Plant Siting Act. After receiving the commission's comments and TECO's revisions to the contracts, FERC reversed its own decision and approved the power sales agreements. This was an important case which many state commissions monitored closely.

In the legislative arena, the Division of Appeals also monitored Congressional bills regarding global warming; amendments to the Public Utilities Regulatory Policy Act (PURPA); bills on tax law changes relating to contributions-in-aid-of-construction; and, bills to exempt wholesale generators from the Public Utility Holding Company Act (PUHCA). In addition, the commission submitted comments to Congress regarding bills on tax law changes relating to nuclear decommissioning reserve funds.

TELECOMMUNICATIONS

Monitoring and responding to the initiatives of the Federal Communications Commission (FCC) has long been an essential part of the commission's federal liaison work. The year 1990 was no exception. The Division of Appeals, in concert with the Division of Communications, filed comments on the commission's behalf in several FCC proceedings. Among these were the FCC's notice of inquiry **In the Matter of Competition, Rate Deregulation and the Commission's Policies Relating to the Provision of Cable Television Service**; rulemaking proceedings **In the Matter of Interconnection of Exchange Access Carrier Facilities**; **In the Matter of Amendment of Part 32, Uniform System of Accounts for Telecommunications Companies, etc.**; **Petition for Rulemaking Regarding the Sample Traffic Analysis and Reports System (STARS)**; and, **Policies and Rules Concerning Operator Service Providers**. The commission also filed comments in response to a notice of inquiry by the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA) seeking responses to its "Comprehensive Study of Domestic Telecommunications Infrastructure."

Significant events in the continuing development of competitive services resulting from the breakup of AT&T were seen in 1990. In June 1990, the U.S. District Court for the District of Columbia issued its Memorandum and Order soliciting comments on the issue of whether the restriction of the Modification of Final Judgment (MFJ) (**United States of America v. Western Electric Company, Inc., and American Telephone and Telegraph Company**, Case No. 82-0192) prohibiting the Bell Regional Holding Companies (RBOCs) from offering enhanced services should be lifted. The Court's solicitation was in response to a decision by the U.S. Court of Appeals for the D.C. Circuit which found that the District Court had applied the wrong standard under the MFJ in concluding that the restriction could not be lifted. The Division of Appeals prepared comments for the commission urging that the time had come to allow the RBOCs into the enhanced services market. A major factor contributing to this conclusion was that the combination of state and federal regulation had evolved to the point where anti-competitive practices

could be effectively identified and controlled. The commission was one of only a very few state commissions responding on this important telecommunications issue.

In another important case in which the commission participated, the U.S. Court of Appeals for the Ninth Circuit agreed with the petitioners that the FCC's decision to abandon the structural separation requirement for the RBOC's provision of enhanced services was unsupported by the record and, therefore, arbitrary and capricious in violation of federal administrative law. The Court further found that the FCC had improperly preempted state regulation of enhanced services and remanded the matter back to the FCC for further proceedings. This was the so-called "Computer III" decision in **People of the State of California v. FCC**, Cases Nos. 87-7230 and 88-7138, decided June 6, 1990.

On August 6, 1990, the FCC issued a Notice of Proposed Rulemaking of limited scope to focus on certain Computer III decisions that were not addressed on appeal in the 9th Circuit. After a period for comments and replies, the FCC released an order on these issues on December 17, 1990. In that order, the FCC: (1) reinstates Open Network Architecture (ONA) obligations on the BOCs and AT&T; (2) permits AT&T to provide collocated and non-collocated enhanced services on an integrated basis pursuant to the nonstructural safeguards adopted in Computer III; and, (3) reaffirms certain Computer III decisions regarding Network Channel Terminating Equipment. The FCC addressed the arguments of two states that ONA services should be tariffed only at the state level and concluded that the 9th Circuit Computer III decision does not require any alteration of the previous FCC determination that the FCC and state commissions share jurisdiction over ONA services used in the provision of enhanced services. The FCC stated that it looks forward to working with the states through the 410(b) Joint Conference on the ongoing evolution of ONA. Commissioner Beard is an active participant in that Conference. ◆

Division of Legal Services

ROB VANDIVER, DIRECTOR

The Division of Legal Services provides direct legal services and represents the staff in proceedings before the commission, and the commission itself in proceedings before the Division of Administrative Hearings, the state or federal courts.

COMMUNICATIONS BUREAU

In 1990, the Communications Bureau was active in numerous significant areas. In March, the commission held a hearing on Southern Bell's proposed triennial depreciation represcription. Southern Bell's capital recovery proposal was hotly contested by both the Florida Cable Television Association and the Office of Public Counsel. The commission's precedent-setting decision established a strong policy favoring deployment of state-of-the-art fiber optic technology.

Between March and June, the commission completed its decisions regarding its review of Toll Transmission Monopoly Areas (TMAs) and Equal Access Exchange Areas (EAEAs). Among the more significant decisions were the elimination of TMAs on December 31, 1991, the retention of EAEAs, and the reservation of 1+ and 0+ intraLATA dialed calls to the local exchange companies (LECs).

In August, the commission undertook the first major review of the provision of private and LEC provided pay telephone service (PATS) since the legislature authorized the competitive provision of PATS. Several days of hearings were held. In that case, the commission clarified and reiterated its traffic routing restrictions for non-LEC PATS providers, placed rate caps on certain types of calls and restructured the non-LEC PATS access line rates.

In 1990, the commission held full revenue requirements cases for United Telephone Company of Florida and Central Telephone Company of Florida. These are the first, full telephone rate cases since 1985. Decisions for each of these cases are expected in early 1991.

The commission also decided to extend Southern Bell's experimental incentive regulation plan. The plan is the commission's first departure from traditional rate-based regulation in search of a regulatory methodology that creates incentives for local exchange companies to increase the number and quality of services, as well as operate more efficiently.

The commission held hearings in November of 1990 to address Southern Bell's proposal to provide its controversial Caller ID Service. A decision is expected in 1991.

In mid 1990, the steady flow of interexchange carriers (IXCs), pay telephone service providers (PATS), and shared tenant service certifications, as well as extended area service cases continued unabated. In addition, there was a greatly increased level of enforcement actions against IXCs and PATS providers for various violations of the commission's rules.

ELECTRIC AND GAS BUREAU

In 1990, the Electric and Gas Bureau of the Division of Legal Services was active in electric and gas rate regulation, tax sav-

ings refunds, fuel and conservation cost recovery, territorial disputes, and cogeneration.

The Electric and Gas Bureau of the Division of Legal Services began the year by participating in a hearing regarding the appropriate return on equity for Florida Power & Light Company. After the hearing, the commission reduced the utility's approved rate of return to 12.8% to reflect current market conditions.

A hearing on Gulf Power Company's petition for rate increase was held in 1990. The commission granted a rate increase to Gulf Power Company, but found that corrupt practices and mismanagement took place at Gulf Power Company from the early 1980s through 1988. The commission imposed a 50-basis-point reduction on Gulf's return on equity beginning September 1990. Gulf Power Company has appealed the commission's Order to the Supreme Court of Florida.

In the gas industry, the commission completed rate cases for Central Florida Gas Company, Plant City Natural Gas Company, Peoples Gas Company, and City Gas Company. Florida Public Utilities Company also filed for rate relief in 1990, and, as of December 31, 1990, the Company had agreed to all of staff's proposed adjustments.

In 1990, the commission completed its investigation into the adequacy of the electrical transmission grid in North Florida. In its Order issued in December 1990, the commission proposed a 500 KV transmission line from an interconnection with the Southern Company in Georgia to load centers in central and south Florida. The commission required Florida Power Corporation and Florida Power and Light Company to provide a status report on such a project no later than March 1, 1991.

In December 1990, the commission conducted a hearing on a petition for determination of need for a 300 MW coal-fired power plant, filed jointly by Florida Power and Light Company and Indiantown Cogeneration L.P. The proposed facility would be located near Indiantown, Florida, and is planned to meet the need for additional capacity.

Also in the area of cogeneration, the commission selected a 500 MW coal-fired unit as the statewide avoided unit for 1996. Standard offer contracts for over 2500 MWs of capacity queued up for the 500 MW. The commission thereafter limited subscription to 435 megawatts to Nassau Power Corporation and 65 megawatts to Cypress Energy, Inc.

As a result of a 1989 amendment to Section 366.82, Florida Statutes, the commission adopted new goals for electric utilities to increase efficiency of energy consumption and development of cogeneration. The commission also required utilities to submit updated energy conservation programs consistent with those goals. The commission approved the conservation programs for seven municipalities, four rural electric cooperatives, four investor-owned electric companies, and six natural gas utilities.

The Electric and Gas Bureau continued participation in the commission's ongoing review of fuel and purchased power costs of every investor-owned electric and gas utility in Florida with special attention to fuel cost volatility caused by the Iraqi invasion of Kuwait. In addition to fuel cost hearings held twice a year, the commission approved a "mid-course correction" of Florida Power and Light Company's projected fuel expenses, which was caused by

the sharp increase in fuel prices after Iraq invaded Kuwait.

Hearings were also held in the spring and fall in which the conservation costs of both electric and gas utilities were reviewed, and in which the purchased gas costs of investor-owned gas utilities were determined.

After extensive hearings, Florida Power and Light Company was ordered to refund to its ratepayers total 1988 tax savings of $44,938,508, while Gulf Power Company was ordered to refund $3,618,332. Interest was added to both refunds. The tax savings refunds were ordered pursuant to a commission rule which was developed in response to the 1986 decrease in federal income taxes.

In 1990, Florida Power and Light Company was ordered to file complete Minimum Filing Requirements (MFRs) for a full rate review. The filing was completed in July, after which the commission determined that although no prospective rate reduction was warranted, Florida Power and Light Company may have earned in excess of its approved rate of return in 1990. The utility's actual 1990 income and expense data will be analyzed when it becomes available.

In the latter half of 1990, the bureau participated in a docket involving a petition for inclusion of Scherer Unit No. 4 (a coal-fired generating facility found in Central Georgia) in Florida Power and Light Company's rate base, including an acquisition adjustment. The facility had not been purchased yet and there was no purchase contract when the petition was filed or when the hearing occurred. The petition relied upon a letter of intent between Florida Power and Light Company and Georgia Power to justify inclusion of the plant in rate base on a prospective basis. A vote on the matter is scheduled for February 5, 1991.

In the area of territorial disputes, the commission reviewed a dispute between Clay County Cooperative and Florida Power and Light Company over who would serve a mine of the DuPont Corporation. After a hearing on October 24, 1990, the commission held that both utilities were equally able to provide the requested service to the mine site. The commission therefore turned to customer preference and Florida Power and Light Company was permitted to provide service to the mine site.

In 1990, the bureau handled many dockets referred to it by the Division of Consumer Affairs. One such docket concerned the alleged resale of electricity and gas at a profit by a condominium management company. After an informal conference on the complaint was scheduled, the management company petitioned the Circuit Court in Pinellas County to enjoin the commission from acting on the consumer complaint and to declare that the management company was not a "utility" subject to the commission's jurisdiction. At a hastily called hearing held over the telephone, the Circuit Court entered a temporary injunction prohibiting the commission from taking further action on the consumer complaint. The bureau then filed a Petition for Writ of Prohibition in the Supreme Court of Florida.

On November 8, 1990, the Florida Supreme Court issued its opinion in **Florida Public Service Commission v. Bryson**, barring further action by the Circuit Court. The court held that the Circuit Court did not have jurisdiction to enjoin the commission from considering a complaint that the management had overcharged a condominium unit owner for gas and electricity. The

court found that the commission did have, "at the very least," a colorable claim of exclusive jurisdiction to consider allegations that a management company overcharged condominium owners for gas and electricity. **Florida Public Service Commission v. Fred L. Bryson, Judge et al,** 569 So.2d 1253 (Fla. 1990).

Finally, a team effort between the bureau and the Office of Public Counsel resulted in the settlement of a dispute between Tri-County Electric Cooperative and media mogul Ted Turner. Members of a small community located within the cooperative's service territory had no access to electrical power. The cooperative required an easement over the property of Ted Turner in order to serve the community, but was unable to negotiate such an easement and refused to purchase one. The members of the community complained to the commission that the cooperative refused to serve them. After much negotiation with both the cooperative and representatives of Ted Turner, a settlement was reached under which the cooperative will receive the easements necessary to serve the community.

WATER AND WASTEWATER BUREAU

1990 was another very busy year for the Bureau of Water and Sewer. The bureau processed 33 staff-assisted rate cases, five "file and suspend" rate cases, 102 certification cases, 11 limited proceedings, 12 service availability cases, and numerous miscellaneous filings.

In January, the Bureau Chief spoke at the Florida Bar Mid - Winter Convention on the changes to Chapter 367, Florida Statutes, brought about by Sunset review which was completed by the Florida Legislature in 1989.

Due to the success of our enforcement of Rule 25-30.110, Florida Administrative Code, which requires the filing of annual reports, the number of companies that did not file their annual reports decreased from 16 to 10, compared to the previous year, resulting in a 37.5% reduction in non-compliant utilities.

The commission delegated to staff the administrative authority to close the following types of dockets where the applicant seeks to withdraw its application and no filing fee has been paid or no request for refund of filing fee has been made: certification, exemption, AFUDC, and rate cases.

In the South Broward Utility, Inc. rate case, the commission ordered a refund with interest of unauthorized guaranteed revenue charges which the utility had collected over a period of years. This resulted in a refund of approximately $120,000.

The generic CIAC gross-up docket hearing resulted in the establishment of guidelines for the industry. The guidelines address who should collect the gross-up, who gets to keep the gross-up, and who must refund the gross-up.

The year concluded with Southern States Utilities, Inc. filing the largest water and wastewater rate case ever seen by the commission. The case involved 34 systems in seven counties, and seeks uniformity in rates. A week-long hearing is scheduled for February 1991. ◆